

FRED CUTLER LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

FRED CUTLER LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF FRED CUTLER LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Fred Cutler Limited for the year ended 31 March 2020 which comprise the Balance sheet 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 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/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Fred Cutler 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 financial statements of Fred Cutler Limited and state those matters that we have agreed to state to the Board of directors of Fred Cutler Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fred Cutler Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Fred Cutler Limited 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 Fred Cutler Limited. You consider that Fred Cutler Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Fred Cutler 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 financial statements.

Whiting & Partners

Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7GY
13 July 2020

FRED CUTLER LIMITED
REGISTERED NUMBER: 06460101

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	562,766	540,772
		<u>562,766</u>	<u>540,772</u>
Current assets			
Stocks	5	747,356	800,390
Debtors: amounts falling due within one year	6	23,597	44,212
Cash at bank and in hand	7	434,783	359,298
		<u>1,205,736</u>	<u>1,203,900</u>
Creditors: amounts falling due within one year	8	(208,984)	(248,391)
Net current assets		<u>996,752</u>	<u>955,509</u>
Total assets less current liabilities		<u>1,559,518</u>	<u>1,496,281</u>
Creditors: amounts falling due after more than one year	9	(16,461)	(41,868)
Provisions for liabilities			
Deferred tax	11	(27,712)	(16,879)
		<u>(27,712)</u>	<u>(16,879)</u>
Net assets		<u>1,515,345</u>	<u>1,437,534</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		1,515,245	1,437,434
		<u>1,515,345</u>	<u>1,437,534</u>

FRED CUTLER LIMITED
REGISTERED NUMBER: 06460101

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

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 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 13 July 2020.

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Mr R Cutler
Director

.....
Mr F Cutler
Director

The notes on pages 4 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Fred Cutler Ltd is a private limited company incorporated in the United Kingdom. It is registered in England and Wales and the registered number is 06460101. The registered office is Greenwood House, Greenwood Court, Bury St Edmunds, IP32 7GY.

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 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 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.4 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 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 the Statement of income and retained earnings 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.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

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 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 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.

2.8 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 31 MARCH 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Freehold property	- 50 years straight line
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance

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 the Statement of income and retained earnings.

2.9 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.

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 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 31 MARCH 2020

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.14 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.

2.15 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 at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2019 - 8).

FRED CUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 April 2019	548,067	11,231	82,738	2,655	13,413
Additions	3,486	-	48,990	-	-
Disposals	-	-	(22,959)	-	-
At 31 March 2020	551,553	11,231	108,769	2,655	13,413
Depreciation					
At 1 April 2019	56,177	9,582	39,187	2,489	9,897
Charge for the year on owned assets	10,997	412	8,466	42	879
Disposals	-	-	(13,273)	-	-
At 31 March 2020	67,174	9,994	34,380	2,531	10,776
Net book value					
At 31 March 2020	484,379	1,237	74,389	124	2,637
At 31 March 2019	491,890	1,649	43,551	166	3,516

FRED CUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2019	658,104
Additions	52,476
Disposals	(22,959)
	<hr/>
At 31 March 2020	687,621
	<hr/>
Depreciation	
At 1 April 2019	117,332
Charge for the year on owned assets	20,796
Disposals	(13,273)
	<hr/>
At 31 March 2020	124,855
	<hr/>
Net book value	
At 31 March 2020	<u>562,766</u>
At 31 March 2019	<u>540,772</u>

FRED CUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	484,379	491,890
	<u>484,379</u>	<u>491,890</u>

5. Stocks

	2020 £	2019 £
Finished goods and goods for resale	747,356	800,390
	<u>747,356</u>	<u>800,390</u>

6. Debtors

	2020 £	2019 £
Trade debtors	21,595	39,501
Other debtors	-	2,605
Prepayments and accrued income	2,002	2,106
	<u>23,597</u>	<u>44,212</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	434,783	359,298
	<u>434,783</u>	<u>359,298</u>

FRED CUTLER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	24,485	23,562
Trade creditors	58,650	89,942
Corporation tax	21,312	35,049
Other taxation and social security	17,143	8,306
Other creditors	83,894	87,884
Accruals and deferred income	3,500	3,648
	<u>208,984</u>	<u>248,391</u>

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

	2020 £	2019 £
Bank loans	16,461	41,868
	<u>16,461</u>	<u>41,868</u>

10. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	24,485	23,562
	<u>24,485</u>	<u>23,562</u>
Amounts falling due 2-5 years		
Bank loans	16,461	41,868
	<u>16,461</u>	<u>41,868</u>
	<u>40,946</u>	<u>65,430</u>

FRED CUTLER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Deferred taxation

	2020 £
At beginning of year	(16,879)
Charged to profit or loss	(10,833)
At end of year	<u>(27,712)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(27,712)	(16,879)
	<u>(27,712)</u>	<u>(16,879)</u>

12. Pension commitments

The Company operates a defined contributions 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 £41,805 (2019 - £41,195). Contributions totalling £nil (2019 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

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.