

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

FOR

G. H. FRITH (BODELWYDDAN) LIMITED

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FOR THE YEAR ENDED 31 MAY 2022**

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STATEMENT OF FINANCIAL POSITION
31 MAY 2022

	Notes	31.5.22 £	31.5.21 £
FIXED ASSETS			
Tangible assets	4	57,323	60,678
CURRENT ASSETS			
Debtors	5	65,345	111,768
Cash at bank and in hand		565,603	694,553
		<u>630,948</u>	<u>806,321</u>
CREDITORS			
Amounts falling due within one year	6	(203,227)	(424,601)
NET CURRENT ASSETS		<u>427,721</u>	<u>381,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>485,044</u>	<u>442,398</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		485,043	442,397
		<u>485,044</u>	<u>442,398</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2023 and were signed on its behalf by:

R Mainwaring - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

1. STATUTORY INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Kaydon House, Kinnel Park, Bodelwyddan, Denbighshire, LL18 5TY. The principal activity of the company is the retail of rugs.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

As described in the accounting policies of the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take in to account actual asset lives and residual values as evidenced by disposals during current and prior accounting periods

REVENUE RECOGNITION

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- straight line over the life of the lease
Computer equipment	- 20% straight line
Fixtures and fittings	- 10% reducing balance

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

FINANCIAL INSTRUMENTS

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES - continued

CORPORATION TAX

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

OPERATING LEASES

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

DEFINED CONTRIBUTION PLANS

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee Benefits

The company provides a range of benefits to employees. Short term benefits, including holiday pay, are recognised as an expense in the profit and loss account in the period in which they are incurred.

IMPAIRMENT OF FIXED ASSETS

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2021 - 23) .

4. TANGIBLE FIXED ASSETS

	Short leasehold £	Computer equipment £	Fixtures and fittings £	Totals £
COST				
At 1 June 2021	36,746	6,991	75,877	119,614
Additions	-	-	5,454	5,454
At 31 May 2022	<u>36,746</u>	<u>6,991</u>	<u>81,331</u>	<u>125,068</u>
DEPRECIATION				
At 1 June 2021	21,305	6,267	31,364	58,936
Charge for year	3,089	724	4,996	8,809
At 31 May 2022	<u>24,394</u>	<u>6,991</u>	<u>36,360</u>	<u>67,745</u>
NET BOOK VALUE				
At 31 May 2022	<u>12,352</u>	<u>-</u>	<u>44,971</u>	<u>57,323</u>
At 31 May 2021	<u>15,441</u>	<u>724</u>	<u>44,513</u>	<u>60,678</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.22 £	31.5.21 £
Trade debtors	16,063	37,097
Amounts owed by group undertakings	-	5,629
Prepayments	<u>49,282</u>	<u>69,042</u>
	<u>65,345</u>	<u>111,768</u>

Amounts owed by group undertakings are unsecured and interest free with no fixed repayment date.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.22 £	31.5.21 £
Trade creditors	95,689	196,437
Amounts owed to group undertakings	22,929	-
Tax	41,652	32,172
Social security and other taxes	2,564	-
VAT	13,511	98,353
Other creditors	1,882	3,510
Directors' loan accounts	25,000	25,000
Accrued expenses	-	69,129
	<u>203,227</u>	<u>424,601</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Debenture dated 18 August 2010 in favour of Natwest Bank Plc incorporating a fixed and floating charge over all assets present and future.

Amounts owed to group undertakings are unsecured and interest free with no fixed repayment date.

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.5.22	31.5.21
	£	£
Within one year	143,500	143,500
Between one and five years	122,881	149,100
In more than five years	-	76,481
	<u>266,381</u>	<u>369,081</u>

8. RELATED PARTY DISCLOSURES

Details of the transactions between fellow group companies have not been disclosed in line with paragraph 33.1A of FRS102.

During the year there were no new transactions between the company and its directors:
£25,000 was due to the directors at the start of the year and end of the year.

9. EVENTS AFTER THE REPORTING PERIOD

There were no significant events up to the date of approval of the financial statements by the Board.

10. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Anchin Rugs Limited, a company incorporated in England and Wales.

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.