



CHARLES PHILLIPS & SONS (OF EDINBURGH) LIMITED

Company registration number SC106486

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

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CHARLES PHILLIPS & SONS (OF EDINBURGH) LIMITED

COMPANY INFORMATION

Director	P H Young
Registered number	SC106486
Registered office	Drummore House North Berwick Road Musselburgh EH21 8JT
Accountants	Azets Exchange Place 3 Semple Street Edinburgh EH3 8BL

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	1,030,756	1,191,432
		<u>1,030,756</u>	<u>1,191,432</u>
Current assets			
Stocks		804,696	808,165
Debtors: amounts falling due within one year	5	-	5,684
Cash at bank and in hand		2,273	2,463
		<u>806,969</u>	<u>816,312</u>
Creditors: amounts falling due within one year	6	(1,112,710)	(1,240,106)
Net current liabilities		<u>(305,741)</u>	<u>(423,794)</u>
Total assets less current liabilities		<u>725,015</u>	<u>767,638</u>
Creditors: amounts falling due after more than one year	7	(213,335)	(213,314)
Provisions for liabilities			
Deferred tax	9	(8,813)	(12,164)
		<u>(8,813)</u>	<u>(12,164)</u>
Net assets		<u><u>502,867</u></u>	<u><u>542,160</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		501,867	541,160
		<u><u>502,867</u></u>	<u><u>542,160</u></u>

The director considers 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 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 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.

CHARLES PHILLIPS & SONS (OF EDINBURGH) LIMITED
REGISTERED NUMBER:SC106486

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
P H Young
Director

Date: 31 May 2021

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

1. General information

These financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 May 2020.

The continuing activities of Charles Phillips & Sons (Of Edinburgh) Limited is that of auctioneers, wholesalers and property developers.

The company is a private company limited by shares and is incorporated in United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registration number is SC106486.

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 applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and The Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The director acknowledges the net current liability position at the year end. Having considered all relevant information and with the continued support of both the bank and the shareholders, the director is therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. This assessment of going concern includes the expected impact of COVID-19 on the entity in the 12 months following the signing of these financial statements.

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 31 MAY 2020

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 method.

Depreciation is provided on the following basis:

Heritable property	-	4%	on cost
Motor vehicles	-	25%	on cost
Fixtures and fittings	-	15%	on cost

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 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 reporting 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 Statement of Financial Position 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 reporting date.

2.5 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 reporting 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.

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

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

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

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2019 - 7).

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

4. Tangible fixed assets

	Heritable property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 June 2019	1,423,892	298,647	454,018	2,176,557
Additions	-	-	19,694	19,694
Disposals	(148,026)	-	-	(148,026)
At 31 May 2020	1,275,866	298,647	473,712	2,048,225
Depreciation				
At 1 June 2019	328,273	250,214	406,638	985,125
Charge for the year on owned assets	15,628	4,392	17,325	37,345
Charge for the year on financed assets	-	16,894	-	16,894
Disposals	(21,895)	-	-	(21,895)
At 31 May 2020	322,006	271,500	423,963	1,017,469
Net book value				
At 31 May 2020	953,860	27,147	49,749	1,030,756
At 31 May 2019	1,095,619	48,433	47,380	1,191,432

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	27,147	44,041
	<u>27,147</u>	<u>44,041</u>

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

5. Debtors

	2020 £	2019 £
Other debtors	-	5,684
	<u>-</u>	<u>5,684</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	88,654	94,721
Bank loans	39,058	37,808
Trade creditors	473,143	614,470
Corporation tax	28,804	39,447
Other taxation and social security	76,291	36,591
Obligations under finance lease and hire purchase contracts	14,666	20,385
Other creditors	392,094	396,684
	<u>1,112,710</u>	<u>1,240,106</u>

The bank overdraft is secured by a standard security charge over Drummole House.

Included within creditors due within one year are secured creditors of £39,058 (2019: £37,808) being bank loans, and £14,666 (2019: £20,835) being amounts due on finance.

Further details on the security of these amounts can be seen in note 9.

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

	2020 £	2019 £
Bank loans	207,092	195,802
Net obligations under finance leases and hire purchase contracts	6,243	17,512
	<u>213,335</u>	<u>213,314</u>

Included in bank loans above are secured loans amounting to £157,092 (2019: £195,802). These loans are secured by a standard security charge over the Holyrood Road property.

The hire purchase liabilities are secured on the assets to which the agreement relate. The total hire purchase liabilities above is £6,243 (2019: £17,513).

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

8. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	39,058	37,808
	<u>39,058</u>	<u>37,808</u>
Amounts falling due 2-5 years		
Bank loans	182,861	153,743
	<u>182,861</u>	<u>153,743</u>
Amounts falling due after more than 5 years		
Bank loans	24,231	42,059
	<u>24,231</u>	<u>42,059</u>
	<u><u>246,150</u></u>	<u><u>233,610</u></u>

9. Deferred taxation

	2020 £	2019 £
At beginning of year	(12,164)	(13,209)
Charged to profit or loss	3,351	1,045
	<u>(8,813)</u>	<u>(12,164)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(8,813)	(12,164)
	<u>(8,813)</u>	<u>(12,164)</u>

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

10. 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 £4,383 (2019: £2,793). Contributions totalling £613 (2019: £691) were payable to the fund at the Statement of Financial Position 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.