

THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Annual report

31 December 2020



THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Company information

Directors	I J Hindmarsh S M Robinson J G Burke J Archer
Company secretary	J Archer
Registered number	05402133
Registered office	1 Riversdale Way Newburn Haugh Industrial Estate Newcastle upon Tyne NE15 8SF
Bankers	The Co-operative Bank 29 High Street Durham DH1 3PL

THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

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THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Balance sheet as at 31 December 2020

	Note	31 December 2020 £	31 May 2020 £
Fixed assets			
Tangible assets	6	95,313	70,948
Investments	7	1,200	1,200
		96,513	72,148
Current assets			
Stocks		163,725	116,348
Debtors	8	102,957	99,365
Cash at bank and in hand		333,860	470,342
		600,542	686,085
Creditors: amounts falling due within one year	9	(167,523)	(225,312)
Net current assets		433,019	460,773
Total assets less current liabilities		529,532	553,921
Provisions for liabilities	10	(18,109)	(13,480)
Net assets		511,423	519,441
Capital and reserves			
Called up share capital	11	120	120
Retained earnings		511,303	519,321
Total equity		511,423	519,441

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Balance sheet as at 31 December 2020

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 period and of its profit or loss for each financial period 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, as 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 and authorised for issue by the Board of Directors and were signed on its behalf on 31 August 2021 by:



J Archer
Director

Registered number: 05402133

The notes on pages 3-8 form part of these financial statements.

THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Notes to the financial statements

for the seven month period ended 31 December 2020

1. GENERAL INFORMATION

The principal activity of The Builders Warehouse (North East) Limited ('the company') is that of a builders' merchant.

The Builders Warehouse (North East) Limited is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The company's registered number and registered office address can be found on the company information page of these financial statements.

These financial statements are prepared for the 7 month period ended 31 December 2020.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparing the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention. They are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Turnover

Turnover represents the value of goods sold during the period, net of VAT and trade discounts. Turnover is recognized when goods are physically delivered to the customer. Invoiced deliveries are included within debtors.

3.3 Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairments losses.

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

Website	-	straight line over 3 years
Plant and machinery	-	25% on reducing balance
Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	25% on reducing balance
Office equipment	-	straight line over 3 years

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3. ACCOUNTING POLICIES (CONTINUED)

3.4 Stocks

Stock of goods is valued at the lower of cost and net realisable value. Cost represents the purchase price of goods.

3.5 Current and deferred taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

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.

3.6 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance lease are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of these obligations is charged to profit or loss on a straight line basis over the period of the lease.

3.7 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3.8 Dividends

Dividends are recognised as a liability in the financial statements in the period in which they are approved by the company's shareholders.

4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonably certain under the circumstances.

THE BUILDERS WAREHOUSE (NORTH EAST) LIMITED

Notes to the financial statements

for the seven month period ended 31 December 2020

4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of fixed assets

The company considers whether fixed assets, including tangible fixed assets and fixed asset investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of these cash flows. In addition to this, the useful lives of fixed assets are regularly reviewed and any reduction in the length of the life would result in an impairment charge to the profit and loss account and a reduction in the carrying value of the asset. See notes 6 and 7 for the carrying values of the tangible assets and fixed asset investments respectively.

Depreciation of fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed regularly. They are amended when necessary to reflect current estimates, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying value of tangible fixed assets.

Stock provision

Provision is made against specific stock items which are slow moving or obsolete to ensure the stock items are held at the lower of cost and net realisable value.

5. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 9 (year to 31 May 2020: 10).

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Notes to the financial statements for the seven month period ended 31 December 2020

6. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
COST					
At 1 June 2020	9,161	12,982	178,426	15,646	216,215
Additions	860	-	-	38,092	38,952
Disposals	-	-	(12,530)	-	(12,530)
At 31 December 2020	10,021	12,982	165,896	53,738	242,637
Depreciation					
At 1 June 2020	7,873	12,349	117,888	7,157	145,267
Charge for year	714	92	9,306	4,475	14,587
Eliminated on disposal	-	-	(12,530)	-	(12,530)
At 31 December 2020	8,587	12,441	114,664	11,632	147,324
Net book value					
At 31 May 2020	1,288	633	60,538	8,489	70,948
At 31 December 2020	1,434	541	51,232	42,106	95,313

7. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 June 2020 and 31 December 2020	1,200
NET BOOK VALUE	
At 31 December 2020	1,200
At 31 May 2020	1,200

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2020 £	31 May 2020 £
Trade debtors	94,745	96,574
Other debtors	8,212	2,821
	102,957	99,395

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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2020	31 May 2020
	£	£
Trade creditors	61,776	148,650
Taxation and social security	84,702	66,375
Other creditors	21,045	10,287
	<u>167,523</u>	<u>225,312</u>

10. PROVISIONS FOR LIABILITIES

Provisions consist of the deferred tax liability on capital allowances.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class:	Nominal value:	31 December 2020	31 May 2020
			£	£
100	Ordinary	£1	100	100
20	Ordinary B	£1	20	20
			<u>120</u>	<u>120</u>

12. OBLIGATIONS UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS

Minimum lease payments under finance lease and hire purchase contracts fall due as follows:

	31 December 2020	31 May 2020
	£	£
Within one year	6,300	-
After one year and before five years	23,100	-
	<u>29,400</u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

13. RELATED PARTY TRANSACTIONS

The company was acquired during the year (see note 14), upon which the incumbent directors resigned and new directors were appointed. The previous directors held loans with the company at the balance sheet date totaling £12,242 (year to 31 May 2020: £306).

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14. ULTIMATE AND IMMEDIATE PARENT COMPANIES

The entire share capital of the Builders Warehouse (North East) Limited was acquired by J.T. Dove Limited on 27th March 2021. The ultimate controlling party of J.T. Dove Limited is Herbert Dove Trustees Limited.