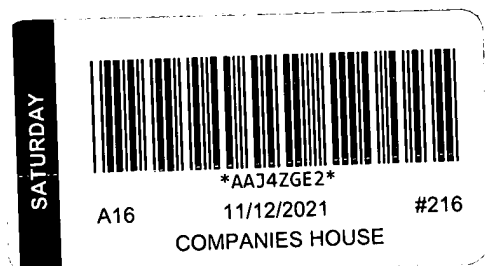


AMENDED

REGISTERED NUMBER: 00036724 (England and Wales)

**SMITH BRADBEER & COMPANY LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD**  
**3 FEBRUARY 2020 TO 31 JANUARY 2021**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR



**SMITH BRADBEER & COMPANY LIMITED**

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FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**SMITH BRADBEER & COMPANY LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**DIRECTORS:**

A E Davies  
G J Davies  
J A Davies  
P L Davies  
R G Davies  
Mrs S M Robinson

**SECRETARY:**

G J Davies

**REGISTERED OFFICE:**

14-20 Bell Street  
Romsey  
Hampshire  
SO51 8ZE

**REGISTERED NUMBER:**

00036724 (England and Wales)

**AUDITORS:**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

# SMITH BRADBEER & COMPANY LIMITED

## STRATEGIC REPORT FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021

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The directors present their strategic report for the period 3 February 2020 to 31 January 2021.

### REVIEW OF BUSINESS

The Company continued to operate department stores, furniture stores and a removals business along with its property portfolio in the year.

The Covid 19 outbreak during the financial year had a significant impact on the trading performance of the business, both at a total store sales level and retained profit.

The directors have considered the fair value of the properties held by the company and consider the property values are largely unchanged. Due to the nature of the businesses operated by the tenants, no rent concessions were required as a result of the covid lockdowns.

### Key Performance Indicators

	2021	2020
Total store sales	£14.0m	£22.3m
Gross margin	46.2%	47.3%
Operating margin	10.1%	10.0%

### Coronavirus

The company closed all its businesses around 23rd March following HM Government instructions in response to the coronavirus pandemic. All businesses re-opened in mid-June. There were subsequent lockdowns during November 2020 and January 2021 where non-essential retail stores were required to close.

The directors implemented measures to reduce the impact of closures and protect the business as far as possible, including use of the Government's furlough scheme, rate relief and business grants. Details of the government support received are shown in note 5 of the financial statements.

Trading was strong after the initial lockdown, particularly in the furniture stores where orders were 25% up year on year and this has continued after the subsequent lockdowns.

The company was able to successfully emerge from the lockdowns due to its cash and profit reserves and the goodwill shown by its suppliers, for which the directors are extremely grateful.

The directors are proud of the way staff have responded to the challenges raised by the coronavirus pandemic, providing a safe environment for customers whilst maintaining the excellent customer service.

## SMITH BRADBEER & COMPANY LIMITED

### STRATEGIC REPORT

FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021

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#### PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to many risks and uncertainties which the management team review on a regular basis.

##### Coronavirus

Whilst the vaccination programme has reduced the risk of further lockdowns, there is still uncertainty as we head into autumn/ winter. The buying strategy has been reviewed to ensure merchandise meets the changed requirements of the consumer and less towards seasonal fashion.

##### Brexit

The immediate impact of Brexit has passed, and the Directors welcomed the trade deal that was agreed, enabling the company to continue trading with its European suppliers.

##### Economic outlook

Consumer spending is fundamental to the success of the Company and the Directors are alert to changes in consumer confidence and the potential impact on the business. Whilst the trading stores are the significant profit and cash generating part of the business, the property portfolio generates an increasing level of cash and profit. The Directors ensure a good mix of tenants are secured to minimise the exposure to specific economic risks.

##### Competition

The high street has always been a very competitive marketplace and the threat from online shopping continues to grow. Whilst clearly not immune from competition, the Directors consider the Company is well placed to resist most competition through location, store reinvestment, product offering, pricing and high levels of customer service.

##### Staff costs

Recent increases in the minimum wage and manifesto pledges by the Government suggest that staff costs will continue to increase above the rate of inflation. The Directors continue to ensure the business offers competitive remuneration packages to retain and attract employees, a key part to delivering the Company ethos of high levels of customer service.

##### Financing

The business continues to generate positive cashflows which is sufficient to meet the needs of the business terms of trading and store improvements as and when required.

The bank has agreed to extend the repayment date of the £5m loan (now £4.75m) until 31 May 2022 due to the impact of coronavirus on the Directors re-development plans. These plans are now well advanced, and the Directors are confident, subject to the re-emergence of any threat from Coronavirus, that the plans will be concluded in the next 3-4 months.

The directors are delighted to have secured M&S PLC as a tenant in New Milton which will provide an excellent covenant addition and will benefit the New Milton stores.

##### Future Plans

The directors continue to look for further opportunities to develop the Company's retail offering in towns that meet the preferred criteria.

#### ON BEHALF OF THE BOARD:



G Davies (Nov 23, 2021 17:27 GMT)

.....  
G J Davies - Director

Date: 23/11/2021

## **SMITH BRADBEER & COMPANY LIMITED**

### **REPORT OF THE DIRECTORS FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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The directors present their report with the financial statements of the company for the period 3 February 2020 to 31 January 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company continued to be that of the operation of retail stores, department stores, removals and furniture rentals.

#### **DIVIDENDS**

Ordinary dividends were paid amounting to £284,980 (2020 - £552,655). The directors do not recommend payment of a final dividend.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 3 February 2020 to the date of this report.

A E Davies  
G J Davies  
J A Davies  
P L Davies  
R G Davies  
Mrs S M Robinson

#### **STRATEGIC REPORT**

The following information has been included in the Strategic Report:

- A review of the business, including future developments; and
- Principal risks and uncertainties.

#### **CHARITABLE DONATIONS AND EXPENDITURE**

The company made charitable donations of £25,400 (2020 - £137,394) during the year.

#### **GOING CONCERN**

The company made an operating profit for the period of £1,086,342 (2020: £1,645,211) and, as at 31 January 2021, had net current liabilities of £2,410,493 (2020: £2,566,936) and net assets of £9,461,453 (2020: £9,109,486). The net current liability position arises solely as a result of loans due within one year which have been re-negotiated after the period end.

The strong trading performance post the various Covid 19 lockdowns gives the directors confidence that the Company will generate profit and cash during the period to 29 January 2023 and beyond, allowing it to meet its banking covenants, meet its obligations as they fall due and continue its investment strategy.

The directors consider that the development bank loan of £4.75m, repayment date now 31 May 2022, will be in a position to be refinanced to a term loan during quarter 1 2022 now that M&S PLC have entered a lease and other leases are being secured. A further extension should be unnecessary but the bank are supportive of the company and would extend as necessary based on the value of security held by the bank in respect of this loan.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**SMITH BRADBEER & COMPANY LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Hopper Williams & Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*G Davies*

G Davies (Nov 23, 2021 17:27 GMT)

.....  
G J Davies - Director

Date: 23/11/2021.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMITH BRADBEER & COMPANY LIMITED**

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### **Opinion**

We have audited the financial statements of Smith Bradbeer & Company Limited (the 'company') for the period ended 31 January 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMITH BRADBEER & COMPANY LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMITH BRADBEER & COMPANY LIMITED

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### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, and the industry in which it operates. These include but are not limited to compliance with the Companies Act 2006, UK Generally Accepted Accounting Principles and the relevant tax compliance regulations for the company.
- We obtained an understanding of how the company is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs and correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Michaela Johns*

Michaela Johns FCCA (Senior Statutory Auditor)  
for and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 4AR

Date: 24/11/2021

**SMITH BRADBEER & COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

		Period 3.2.20 to 31.1.21 £	Period 28.1.19 to 2.2.20 £
	Notes		
Total store sales		14,039,449	22,279,751
Less concession sales		(1,386,523)	(2,944,457)
Less VAT on own trade sales		<u>(1,998,315)</u>	<u>(2,962,322)</u>
<b>TURNOVER</b>	4	10,654,611	16,372,972
Cost of sales		<u>(5,730,365)</u>	<u>(8,632,183)</u>
<b>GROSS PROFIT</b>		4,924,246	7,740,789
Administrative expenses		<u>(5,779,829)</u>	<u>(7,051,782)</u>
		(855,583)	689,007
Other operating income	5	<u>1,941,925</u>	<u>956,204</u>
<b>OPERATING PROFIT</b>	7	1,086,342	1,645,211
Interest receivable and similar income		<u>81,411</u>	<u>81,355</u>
		1,167,753	1,726,566
Interest payable and similar expenses	8	<u>(323,967)</u>	<u>(386,097)</u>
<b>PROFIT BEFORE TAXATION</b>		843,786	1,340,469
Tax on profit	9	<u>(206,839)</u>	<u>(257,896)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		636,947	1,082,573
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>636,947</u></u>	<u><u>1,082,573</u></u>

The notes form part of these financial statements

**SMITH BRADBEER & COMPANY LIMITED (REGISTERED NUMBER: 00036724)**

**BALANCE SHEET  
31 JANUARY 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	11	28,520	-
Tangible assets	12	10,691,025	11,526,194
Investments	13	4,747	4,747
Investment property	14	<u>8,374,037</u>	<u>7,778,056</u>
		<u>19,098,329</u>	<u>19,308,997</u>
<b>CURRENT ASSETS</b>			
Stocks	15	2,867,397	2,916,937
Debtors: amounts falling due within one year	16	558,264	586,190
Debtors: amounts falling due after more than one year	16	1,712,276	1,712,276
Cash at bank and in hand		<u>741,052</u>	<u>1,045,447</u>
		5,878,989	6,260,850
<b>CREDITORS</b>			
Loans due within one year* (see below)		(5,050,000)	(5,000,000)
Other amounts due within one year		<u>(3,239,482)</u>	<u>(3,827,786)</u>
Amounts falling due within one year	17	<u>(8,289,482)</u>	<u>(8,827,786)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,410,493)</u>	<u>(2,566,936)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,687,836</u>	<u>16,742,061</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	6,926,415	7,345,473
<b>PROVISIONS FOR LIABILITIES</b>	22	299,968	287,102
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	66,667	66,667
Revaluation reserve	24	193,450	193,450
Capital redemption reserve	24	40,877	40,877
Fair value reserves	24	1,608,898	1,596,104
Retained earnings	24	<u>7,551,561</u>	<u>7,212,388</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>9,461,453</u>	<u>9,109,486</u>
		<u>16,687,836</u>	<u>16,742,061</u>

\*Loans due within one year have been re-negotiated after the year end and are now due after more than one year, the exact timing being linked to the development of the strategic land.

As at 31 January 2021, 'loans due within one year' of £5,050k represents a Development loan amount of £4,750k and Term loan payments due within one year of £300k. In the prior year, £5,000k represents the Development loan only; a further £275k was due within one year for the Term loan which was included in 'other amounts due within one year'.

The notes form part of these financial statements

**SMITH BRADBEER & COMPANY LIMITED (REGISTERED NUMBER: 00036724)**

**BALANCE SHEET - continued**  
**31 JANUARY 2021**

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The financial statements were approved by the Board of Directors and authorised for issue on ....23/11/2021..... and were signed on its behalf by:

G Davies

G Davies (Nov 23, 2021 17:27 GMT)

.....  
G J Davies - Director

The notes form part of these financial statements

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**SMITH BRADBEER & COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>
<b>Balance at 28 January 2019</b>	66,667	6,704,560	193,450
<b>Changes in equity</b>			
Dividends	-	(552,655)	-
Total comprehensive income	-	<u>1,060,483</u>	-
<b>Balance at 2 February 2020</b>	<u>66,667</u>	<u>7,212,388</u>	<u>193,450</u>
<b>Changes in equity</b>			
Dividends	-	(284,980)	-
Total comprehensive income	-	<u>624,153</u>	-
<b>Balance at 31 January 2021</b>	<u>66,667</u>	<u>7,551,561</u>	<u>193,450</u>
	<b>Capital redemption reserve £</b>	<b>Fair value reserves £</b>	<b>Total equity £</b>
<b>Balance at 28 January 2019</b>	40,877	1,574,014	8,579,568
<b>Changes in equity</b>			
Dividends	-	-	(552,655)
Total comprehensive income	-	<u>22,090</u>	<u>1,082,573</u>
<b>Balance at 2 February 2020</b>	<u>40,877</u>	<u>1,596,104</u>	<u>9,109,486</u>
<b>Changes in equity</b>			
Dividends	-	-	(284,980)
Total comprehensive income	-	<u>12,794</u>	<u>636,947</u>
<b>Balance at 31 January 2021</b>	<u>40,877</u>	<u>1,608,898</u>	<u>9,461,453</u>

The notes form part of these financial statements

**SMITH BRADBEER & COMPANY LIMITED**

**CASH FLOW STATEMENT  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

		Period 3.2.20 to 31.1.21 £	Period 28.1.19 to 2.2.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(507,962)	1,856,408
Interest paid		(336,761)	(430,277)
Government grants		1,446,072	-
Fair value movement (non cash movement)		12,794	22,090
Tax paid		-	(190,284)
Net cash from operating activities		<u>614,143</u>	<u>1,257,937</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(28,520)	-
Purchase of tangible fixed assets		(48,834)	(206,197)
Sale of tangible fixed assets		-	557
Issue of other investment or security		-	(25,390)
Interest received		<u>81,411</u>	<u>81,355</u>
Net cash from investing activities		<u>4,057</u>	<u>(149,675)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(392,873)	(293,433)
Capital repayments in year		(86,565)	(88,455)
Amount introduced by directors		16,475	-
Amount withdrawn by directors		(174,652)	-
Repayment of derivatives		-	(12,734)
Equity dividends paid		<u>(284,980)</u>	<u>(552,655)</u>
Net cash from financing activities		<u>(922,595)</u>	<u>(947,277)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(304,395)</b>	<b>160,985</b>
<b>Cash and cash equivalents at beginning of period</b>	2	<b>1,045,447</b>	<b>884,462</b>
<b>Cash and cash equivalents at end of period</b>	2	<b><u>741,052</u></b>	<b><u>1,045,447</u></b>

The notes form part of these financial statements

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 3.2.20 to 31.1.21 £	Period 28.1.19 to 2.2.20 £
Profit before taxation	843,786	1,340,469
Depreciation charges	288,022	299,203
Profit on disposal of fixed assets	-	(360)
Government grants	(1,446,072)	-
Finance costs	323,967	386,097
Finance income	(81,411)	(81,355)
	(71,708)	1,944,054
Decrease in stocks	49,540	117,371
Decrease/(increase) in trade and other debtors	11,451	(35,853)
Decrease in trade and other creditors	(497,245)	(169,164)
<b>Cash generated from operations</b>	<b>(507,962)</b>	<b>1,856,408</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 31 January 2021**

	31.1.21 £	3.2.20 £
Cash and cash equivalents	<u>741,052</u>	<u>1,045,447</u>

**Period ended 2 February 2020**

	2.2.20 £	28.1.19 £
Cash and cash equivalents	<u>1,045,447</u>	<u>884,462</u>

The notes form part of these financial statements



**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 3.2.20 £	Cash flow £	At 31.1.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,045,447</u>	<u>(304,395)</u>	<u>741,052</u>
	<u>1,045,447</u>	<u>(304,395)</u>	<u>741,052</u>
<b>Debt</b>			
Finance leases	(220,226)	86,565	(133,661)
Debts falling due within 1 year	(5,275,000)	225,000	(5,050,000)
Debts falling due after 1 year	<u>(6,528,467)</u>	<u>167,873</u>	<u>(6,360,594)</u>
	<u>(12,023,693)</u>	<u>479,438</u>	<u>(11,544,255)</u>
<b>Total</b>	<u>(10,978,246)</u>	<u>175,043</u>	<u>(10,803,203)</u>

The notes form part of these financial statements

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## **SMITH BRADBEER & COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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#### **1. STATUTORY INFORMATION**

Smith Bradbeer & Company Limited, established 1837, is a private company limited by shares and is incorporated in the UK and registered in England and Wales. The registered office is 14-20 Bell Street, Romsey, Hampshire, United Kingdom, SO51 8ZE.

The company's principal activities and nature of its operations are disclosed in the Directors Report.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **Going concern**

The directors have considered the impact and risk on the company of COVID-19 and the company's prospects, recognising the high degree of uncertainty. The directors have concluded that with the right management actions the company is a going concern for at least 12 months following the signature of the financial statements. Accordingly the directors have prepared the financial statements on this basis

##### **Accounting period**

The accounting period was shortened to 31 January 2021 to align with the company's weekly reporting. As a result of the shortening of the accounting period by two days, the comparative amounts presented in the financial statements (including the related notes) are still comparable.

2. ACCOUNTING POLICIES - continued

**Turnover**

Turnover represents amounts receivable from sales in the two department stores, two furniture stores, concessions commissions and services rendered for furniture removals and furniture rentals, exclusive of VAT and trade discounts.

Income from furniture sales is recognised at the point of delivery, exclusive of VAT and trade discounts.

Storage rental income is received and recognised in the quarter to which it relates.

**Property income**

Rental income is received and recognised in the quarter to which it relates to. If any rental income is received in advance of the relevant rental period then the balance is deferred until the period it relates to.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

**Government grants**

The following government grants have been received during the year:

Coronavirus Job Retention Scheme: the accrual model has been used to recognise the grant on a systematic basis over the periods in which the related staff costs are incurred.

Business Support Grant Funds: the accrual model has been used to recognise the grant when it is received or becomes receivable, as there are no future related costs or performance conditions.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

Freehold property	- No charge in the year
Short leasehold	- Straight line over 15 or 20 years
Plant and machinery	- 10% - 25% straight line or reducing balance
Fixtures and fittings	- 13% - 25% straight line or reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and losses are recognised in profit or loss.

**Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

**Fixed asset investments**

Fixed asset investments are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. ACCOUNTING POLICIES - continued

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 period 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.

**Hire purchase and leasing commitments**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown within other creditors.

**Employee benefits**

The cost of employee benefits are recognised as a liability and an expense, unless these costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which employee services are received.

**Financial assets**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. the reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Financial liabilities**

Basic financial liabilities, which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

2. ACCOUNTING POLICIES - continued

**Equity instruments**

Equity instruments issued by the company are recorded at the fair value of the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

To qualify for hedge accounting, the Company documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

The Company elects to adopt hedge accounting for interest rate swaps where:

- the interest rate swap is a qualifying hedging instrument with an external party that hedges interest rate risk on a loan, part of the nominal amount of a loan, or a group of loans managed together that share the same risk and that qualify as a hedged item;
- the hedging relationship between the interest rate swap and the interest rate risk on the loan is consistent with the risk management objectives for undertaking hedges (Le. to manage the risk that fixed interest rates become unfavourable in comparison to current market rates or the variability in cash flows arising from variable interest rates); and
- the change in the fair value of the interest rate swap is expected to move inversely to the change in the fair value of the interest rate risk on the loan.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINT**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

**Classification of land and buildings**

In classifying land and buildings as either a tangible fixed asset or investment property, management considers the current use of the properties as well as making judgements in respect of the intended future use of the land and buildings. Where properties have been acquired for use in the trading operations of the company they are classified within tangible fixed assets. Where properties have been acquired for the generation of rental income or capital appreciation they are classified within investment properties. Management reassesses the appropriate classification of each property on an annual basis.

**Stock**

A provision is made in order to account for old stock items. Stock is aged by the season that it relates to, only stock items in the current season and previous season are included in the stock valuation. Any items of old stock are fully provided for in the stock valuation calculations.

**Valuations**

Included within the financial statements are freehold and leasehold properties which are valued at £10,130,678 (2020 - £10,747,448) and investment properties valued at £8,374,037 (2020 - £7,778,056). Investment properties were revalued at April 2017 or later, to which the directors judge there to be no material change in valuation for the period to 31 January 2021. Land & Buildings with a value of £4,000,000 (2020: £nil) were transferred to freehold property from investment property in the year due to the intention to open a store in Salisbury. Land & buildings with a value of £4,595,981 (2020: £nil) were transferred to investment property from freehold property in the year due to a change in use from trading to rental.



**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****4. TURNOVER**

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Retail sales, removals, furniture rentals and storage income	<u>10,654,611</u>	<u>16,372,972</u>
<b>Other revenue</b>	2021 £	2020 £
Interest income	<u>81,410</u>	<u>81,355</u>
<b>Turnover analysed by geographical market</b>	2021 £	2020 £
UK	<u>10,654,640</u>	<u>16,372,972</u>

**5. OTHER OPERATING INCOME**

Included within other operating income is rental income of £425,803 (2020 - £886,204), Coronavirus Job Retention Scheme Income of £1,237,343 (2020: £nil) and COVID-19 business grant income of £208,729 (2020: £nil).

**6. EMPLOYEES AND DIRECTORS**

	Period 3.2.20 to 31.1.21 £	Period 28.1.19 to 2.2.20 £
Wages and salaries	3,408,292	3,668,594
Social security costs	228,327	262,219
Other pension costs	<u>49,488</u>	<u>66,118</u>
	<u>3,686,107</u>	<u>3,996,931</u>

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****6. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the period was as follows:

	Period 3.2.20 to 31.1.21	Period 28.1.19 to 2.2.20
Directors	6	6
Office and management	17	19
Sales assistants/removals	<u>196</u>	<u>205</u>
	<u>219</u>	<u>230</u>

In addition to the employees disclosed above, there were also 44 (2020 - 55) concession staff working within the department stores. These staff are not employed by Smith Bradbeer & Company Limited.

**Directors' remuneration**

	£	£
Remuneration for qualifying services	119,663	126,136
Company pension contributions to defined contribution schemes	<u>21,037</u>	<u>16,109</u>
	<u>140,700</u>	<u>142,245</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

**7. OPERATING PROFIT**

Operating profit for the period is stated after changing/(crediting):	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's financial statements	23,900	24,000
Depreciation of owned tangible fixed assets	232,169	233,105
Depreciation of tangible fixed assets held under finance leases	55,853	66,098
(Profit)/loss on disposal of tangible fixed assets	-	(360)
Operating lease charges	<u>547,497</u>	<u>548,335</u>

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 3.2.20 to 31.1.21 £	Period 28.1.19 to 2.2.20 £
Bank interest	327,326	398,296
Hire purchase interest payable	9,435	9,891
Fair value gain and losses on interest rate swaps	<u>(12,794)</u>	<u>(22,090)</u>
	<u>323,967</u>	<u>386,097</u>

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****9. TAXATION**

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	193,973	273,420
Adjustments in respect of prior periods	-	(859)
<b>Total current tax</b>	<u>193,973</u>	<u>272,561</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,866	(12,503)
Adjustment in respect of prior periods	-	(2,162)
<b>Total deferred tax</b>	<u>12,866</u>	<u>(14,665)</u>
<b>Total tax charge/(credit)</b>	<u>206,839</u>	<u>257,896</u>

The total tax charge/(credit) for the period included in the profit and loss account can be reconciled to the profit(loss) before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
<b>Profit/(loss) before taxation</b>	<u>843,786</u>	<u>1,340,469</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	160,319	254,689
Tax effect of expenses that are not deductible in determining taxable profit	6,185	10,425
Tax effect of income not taxable in determining taxable profit	(211)	(4,197)
Depreciation in excess of capital allowances	29,459	-
Property expense adjustment	(1,009)	-
Qualifying charitable donations	(770)	-
Deferred tax movement	12,866	-
Adjustments in respect of prior years	-	(3,021)
<b>Taxation charge/(credit) for the period</b>	<u>206,839</u>	<u>257,896</u>

**Factors that may affect future tax charges**

On 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023. Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 19%.

There were no other factors that may affect future tax charges.

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

**10. DIVIDENDS**

	2021 £	2020 £
Interim	<u>284,980</u>	<u>552,655</u>

Dividends have been paid in accordance with the various classes of shares (note 23).

Amounts paid in respect of preference shares have been included within interest and charged to the profit and loss, as preference shares are classified as liabilities.

**11. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
Additions	<u>28,520</u>
At 31 January 2021	<u>28,520</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>28,520</u>

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>					
At 3 February 2020	10,927,198	400,332	947,440	1,133,846	13,408,816
Additions	3,750	-	21,000	24,084	48,834
Reclassification/transfer	<u>(595,981)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(595,981)</u>
At 31 January 2021	<u>10,334,967</u>	<u>400,332</u>	<u>968,440</u>	<u>1,157,930</u>	<u>12,861,669</u>
<b>DEPRECIATION</b>					
At 3 February 2020	337,970	242,112	640,774	661,766	1,882,622
Charge for period	<u>-</u>	<u>24,539</u>	<u>116,133</u>	<u>147,350</u>	<u>288,022</u>
At 31 January 2021	<u>337,970</u>	<u>266,651</u>	<u>756,907</u>	<u>809,116</u>	<u>2,170,644</u>
<b>NET BOOK VALUE</b>					
At 31 January 2021	<u>9,996,997</u>	<u>133,681</u>	<u>211,533</u>	<u>348,814</u>	<u>10,691,025</u>
At 2 February 2020	<u>10,589,228</u>	<u>158,220</u>	<u>306,666</u>	<u>472,080</u>	<u>11,526,194</u>

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****12. TANGIBLE FIXED ASSETS - continued**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2021 £	2020 £
Plant, machinery and motor vehicles	137,389	174,971
Fixtures & fittings	<u>25,030</u>	<u>33,373</u>
	<u>162,419</u>	<u>208,344</u>
Depreciation charge for the period in respect of leased assets	<u>66,925</u>	<u>66,098</u>

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Land and 2021 £	Buildings 2020 £
Cost	11,728,574	12,320,806
Accumulated Depreciation	<u>(1,940,014)</u>	<u>(1,513,029)</u>
Carrying value	<u>9,788,560</u>	<u>10,807,777</u>

The Company has pledged land and buildings, having a net book value of £10,130,678 (2020 - 10,747,448) to secure its bank loans (note 19) by way of a fixed charge.

Included within the freehold land and buildings balance of £9,996,997 (2020 - £10,589,228) are assets that have been revalued. Additions of £3,750 (2020 - £127,524) during the year have been included at cost which Directors consider to be reflective of current market value.

Land & Buildings of £4,000,000 (2020: £nil) have been transferred to freehold property from investment property at deemed cost due to the intention to open up a store in Salisbury. The last valuation was carried out by Savills in September 2019 and the directors believe the revaluation to be appropriate to the 2021 financial statements and no adjustment has been made.

The other properties were revalued by CBRE in April 2017 and Cliffe Roberts in April 2018; the directors believe the revaluation to be appropriate to the 2021 financial statements and no adjustment has been made.

Land & buildings with a value of £4,595,981 (2020: £nil) were transferred to investment properties from freehold land and buildings in the year due to a change in use from trading to rental.

Included within the leasehold land and buildings balance of £133,681 (2020 - £158,220) are assets that have been revalued. The revaluation was carried out by Jones Lang LaSalle in June 2015, resulting in an increase in value of £50,000.

Savills (UK) Limited, CBRE Limited, Cliffe Roberts and Jones Lang LaSalle are not connected with the company and all valuations have been made on an open market basis by reference to market evidence of transaction prices for similar properties.

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****13. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 3 February 2020 and 31 January 2021	<u>4,747</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>4,747</u>
At 2 February 2020	<u>4,747</u>

**14. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 3 February 2020	7,778,056
Reclassification/transfer	<u>595,981</u>
At 31 January 2021	<u>8,374,037</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>8,374,037</u>
At 2 February 2020	<u>7,778,056</u>

The Directors have considered the fair value of the properties held by the company.

One of the properties, with a value of £2.3m was revalued by CBRE in April 2020 and the Directors consider the fair value of the investment property to be in line with the revaluation. CBRE is an independent valuer holding a recognised professional qualification, and having experience in the location and class of investment property being valued.

The other properties are held at Directors' valuations.

All revaluations were carried out by reference to market data.

The Company has pledged all of its investment property to secure general banking facilities granted to the Company by way of a fixed charge.

**15. STOCKS**

	2021 £	2020 £
Stock	<u>2,867,397</u>	<u>2,916,937</u>

During the period, a reversal of impairment loss on stock of £7,372 (2020: £Nil) was recognised within cost of sales.

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

**16. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	188,204	156,980
Other debtors	6,717	4,086
Directors' current accounts	8,915	25,390
Prepayments	<u>354,428</u>	<u>399,734</u>
	<u>558,264</u>	<u>586,190</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,712,276</u>	<u>1,712,276</u>
Aggregate amounts	<u>2,270,540</u>	<u>2,298,466</u>

The other debtor balance of £1,712,276 (2020 - £1,712,276) relates to a balance due from an associated company under common control.

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts (see note 19)	5,050,000	5,275,000
Hire purchase contracts (see note 20)	91,757	101,789
Payments on account	441,013	578,708
Trade creditors	1,270,510	1,523,434
Tax	466,534	272,561
Social security and other taxes	179,295	61,705
VAT	302,357	498,387
Other creditors	126,107	125,629
Accruals and deferred income	<u>361,909</u>	<u>390,573</u>
	<u>8,289,482</u>	<u>8,827,786</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Bank loans (see note 19)	4,380,594	4,548,467
Preference shares (see note 19)	1,980,000	1,980,000
Hire purchase contracts (see note 20)	41,904	118,437
Directors loan	<u>523,917</u>	<u>698,569</u>
	<u>6,926,415</u>	<u>7,345,473</u>



**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****19. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans - less than 1 year	<u>5,050,000</u>	<u>5,275,000</u>
Amounts falling due between two and five years:		
Preference shares	1,980,000	1,980,000
Bank loans - between 2 and 5 years	<u>1,200,000</u>	<u>1,298,467</u>
Amounts falling due in more than five years:		
Bank loans more than 5 years by instalments	<u>3,180,594</u>	<u>3,250,000</u>

The bank loans of £9,430,594 (2020 - £9,823,467) are secured by way of fixed and floating charges over the assets of the company.

The bank loans comprise a term loan of £4.7m repayable over 12.5 years from the balance sheet date and a development loan of £4.75m. At the balance sheet date the development loan was repayable in November 2021 and therefore shown as a current liability. Subsequent to year end the repayment date was extended to 31 May 2022. Interest on both loans is payable at 3% above base rate for the duration of the loans.

Preference shares are redeemable at the option of either the company or the holder of the shares after 31 January 2012 subject to either party giving a minimum notice period of 18 months. Preference shares have no voting rights attracted to them. Preference shares attract an annual dividend at 3.8% per annum which was waived for the current year due to the impact of the COVID-19 pandemic. During the current and prior period no preference shares were issued.

**20. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	<b>Hire purchase contracts</b>	
	2021 £	2020 £
Net obligations repayable:		
Within one year	91,757	101,789
Between one and five years	<u>41,904</u>	<u>118,437</u>
	<u>133,661</u>	<u>220,226</u>

**SMITH BRADBEER & COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021****20. LEASING AGREEMENTS - continued**

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under hire purchase contracts £133,661 (2020 - £220,226) are secured on the assets to which they relate.

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	517,479	559,500
Between two and five years	1,886,000	2,006,979
In over five years	<u>273,416</u>	<u>669,916</u>
	<u><u>2,676,895</u></u>	<u><u>3,236,395</u></u>

**Lessor**

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	302,139	656,011
Between two and five years	681,348	962,758
In over five years	<u>78,000</u>	<u>83,984</u>
	<u><u>1,061,487</u></u>	<u><u>1,702,753</u></u>

**21. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	<u>-</u>	<u>12,734</u>

The Company uses interest rates swaps to manage its exposure to interest rate movements on its bank borrowings as follows:

Contracts with nominal values of £2,000,000 (2020 - £2,000,000) fix interest payments on variable rate debts at an average rate of 2.80% (2020 - 2.80%) for periods up until September 2020.

As of September 2020 the contracts were not renewed.

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

**22. PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Accelerated capital allowances	304,072	291,817
Other timing differences	(4,104)	(4,715)
	<u>299,968</u>	<u>287,102</u>

Movements in the period:	2021 £
Liability at 2 February 2020	287,102
Credit to profit or loss	<u>12,866</u>
Liability at 31 January 2021	<u>299,968</u>

The net reversal of deferred tax assets and liabilities expected in 2021-22 is £33,280. This is expected to arise because depreciation is anticipated to be higher than the available capital allowances. However, it should be noted that further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property and financial instruments.

As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

**23. CALLED UP SHARE CAPITAL**

	2021 £	2020 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
66,670 Ordinary A Shares of 10p each	6,667	6,667
66,670 Ordinary B Shares of 10p each	6,667	6,667
463,330 Ordinary C,D,G,H,J,L,M,R,S non-voting shares of 10p each	46,333	46,333
10,000 Ordinary G1,G2,G3,G4,G5 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary H1,H2,H3,H4 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary J1,J2,J3 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary L1,L2,L3 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary M1,M2,M3,M4 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary R1,R2,R3,R4 non-voting shares of 10p each	1,000	1,000
10,000 Ordinary S1,S2,S3,S4 non-voting shares of 10p each	1,000	1,000
	<u>66,667</u>	<u>66,667</u>

The preference shares are classified as liabilities and their terms are set out in note 19.

Shares rank pari-passu in all respects except for the provisions relating to voting rights set out below.

The 'C, D, G, H, J, L, M, R, S' Ordinary share are non-voting shares. The 'G1, G2, G3, G4, G5, H1, H2, H3, H4, J1, J2, J3, L1, L2, L3, M1, M2, M3, M4, R1, R2, R3, R4, S1, S2, S3 and S4 ordinary shares are also non-voting shares.

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
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**24. RESERVES**

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Fair value reserves £	Totals £
At 3 February 2020	7,212,388	193,450	40,877	1,596,104	9,042,819
Profit for the period	636,947				636,947
Dividends	(284,980)				(284,980)
Transfers to fair value reserves	-	-	-	12,794	12,794
Transfer from retained earnings	(12,794)	-	-	-	(12,794)
At 31 January 2021	<u>7,551,561</u>	<u>193,450</u>	<u>40,877</u>	<u>1,608,898</u>	<u>9,394,786</u>

The revaluation reserve relates to cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses relating to investment properties which are recognised in profit or loss. This reserve is non-distributable.

The capital redemption reserve relates to nominal value of shares repurchased and still held at the beginning and end of the period. This reserve is non-distributable.

Other reserves relate to movements of assets held at fair value and represents the non-distributable portion of cumulative profit and losses.

**25. PENSION COMMITMENTS**

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>70,525</u>	<u>66,118</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Outstanding contributions of £8,161 (2020 - £10,361) were due at the end of the period.

**26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the period end four directors had directors' current accounts with the company. The balance due to the directors at the period end was £210,411 (2020 - £382,904) The maximum amount owed in the period was £382,904 (2020 - £382,904).

**SMITH BRADBEER & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3 FEBRUARY 2020 TO 31 JANUARY 2021**

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**27. RELATED PARTY TRANSACTIONS**

**Remuneration of key management personnel**

The remuneration of key management personnel, who are also directors, is as follows:

	2021 £	2020 £
Aggregate compensation	<u>152,304</u>	<u>150,759</u>

**Transactions with related parties**

During the period the company entered into the following transactions with related parties:

	Rental payments		Dividends	
	2021 £	2020 £	2021 £	2020 £
Other related parties	<u>508,500</u>	<u>488,335</u>	<u>284,980</u>	<u>552,655</u>

Other related parties are related parties of the company because of common directorship and being close family members.

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
<b>Amounts due to related parties</b>		
Other related parties	<u>471,570</u>	<u>304,590</u>
<b>Amounts due from related parties</b>		
Other related parties	<u>1,712,276</u>	<u>1,712,276</u>

Other related parties are related parties of the company because of common directorship and being close family members.

No guarantees were given or received. The amount payable and receivable are to be settled in cash.

**28. CONTROLLING PARTY**

The company is under the joint control of the Davies family by virtue of their shareholding.