

# Underwood & Company Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2017

Ballard Dale Syree Watson LLP  
Chartered Accountants  
Oakmoore Court  
11c Kingswood Road  
Hampton Lovett  
Droitwich  
Worcestershire  
WR9 0QH

# Underwood & Company Limited

## Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>9</u>

# **Underwood & Company Limited**

## **Company Information**

<b>Directors</b>	R F Underwood D P Underwood
<b>Registered office</b>	The Steel Centre Wainwright Road Worcester WR4 9FA
<b>Accountants</b>	Ballard Dale Syree Watson LLP Chartered Accountants Oakmoore Court 11c Kingswood Road Hampton Lovett Droitwich Worcestershire WR9 0QH

**Underwood & Company Limited**  
**(Registration number: 00046450)**  
**Balance Sheet as at 31 December 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	4,278,262	4,243,276
Investments	<u>5</u>	350	350
		<u>4,278,612</u>	<u>4,243,626</u>
<b>Current assets</b>			
Debtors	<u>6</u>	51,296	62,113
Cash at bank and in hand		96,693	70,415
		147,989	132,528
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	(1,117,500)	(1,018,083)
<b>Net current liabilities</b>		(969,511)	(885,555)
<b>Total assets less current liabilities</b>		3,309,101	3,358,071
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	(1,608,925)	(1,754,832)
<b>Net assets</b>		<u>1,700,176</u>	<u>1,603,239</u>
<b>Capital and reserves</b>			
Called up share capital		6,967	6,967
Capital redemption reserve		10,000	10,000
Revaluation reserve		212,324	212,324
Other reserves		2,250	2,250
Profit and loss account		1,468,635	1,371,698
Total equity		<u>1,700,176</u>	<u>1,603,239</u>

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 9 form an integral part of these financial statements.  
Page 2

**Underwood & Company Limited**

**(Registration number: 00046450)**

**Balance Sheet as at 31 December 2017**

Approved and authorised by the Board on 27 September 2018 and signed on its behalf by:

.....

R F Underwood

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

Page 3

# **Underwood & Company Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Steel Centre  
Wainwright Road  
Worcester  
WR4 9FA  
United Kingdom

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	not provided

## **Underwood & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Underwood & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Leases**

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 3 (2016 - 3).

# Underwood & Company Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 4 Tangible assets

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	4,229,500	63,250	944	4,293,694
Additions	11,097	37,292	-	48,389
Disposals	-	(34,500)	-	(34,500)
At 31 December 2017	4,240,597	66,042	944	4,307,583
<b>Depreciation</b>				
At 1 January 2017	-	49,474	944	50,418
Charge for the year	-	13,403	-	13,403
Eliminated on disposal	-	(34,500)	-	(34,500)
At 31 December 2017	-	28,377	944	29,321
<b>Carrying amount</b>				
At 31 December 2017	4,240,597	37,665	-	4,278,262
At 31 December 2016	4,229,500	13,776	-	4,243,276

Included within the net book value of land and buildings above is £4,240,597 (2016 - £4,229,500) in respect of freehold land and buildings.

### 5 Investments

	2017 £	2016 £
Investments in subsidiaries	350	350
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 January 2017		500,350
Revaluation		(500,000)
At 31 December 2017		350
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2017		350
At 31 December 2016		350

# Underwood & Company Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 6 Debtors

	2017 £	2016 £
Trade debtors	3,588	23,007
Other debtors	47,708	39,106
	<u>51,296</u>	<u>62,113</u>
Total current trade and other debtors	<u>51,296</u>	<u>62,113</u>

### 7 Creditors

#### Creditors: amounts falling due within one year

	Note	2017 £	2016 £
<b>Due within one year</b>			
Bank loans and overdrafts	8	423,431	387,080
Trade creditors		2,328	16,752
Amounts owed to related parties		446,342	239,651
Taxation and social security		3,612	3,826
Other creditors		241,787	370,774
		<u>1,117,500</u>	<u>1,018,083</u>

#### Due after one year

Loans and borrowings	8	<u>1,608,925</u>	<u>1,754,832</u>
----------------------	---	------------------	------------------

#### Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
<b>Due after one year</b>			
Loans and borrowings	8	<u>1,608,925</u>	<u>1,754,832</u>

# Underwood & Company Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 8 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	1,587,960	1,745,675
Finance lease liabilities	18,276	6,468
Redeemable preference shares	2,689	2,689
	<u>1,608,925</u>	<u>1,754,832</u>
	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank borrowings	164,700	164,700
Bank overdrafts	244,700	215,911
Finance lease liabilities	14,031	6,469
	<u>423,431</u>	<u>387,080</u>

Page 9

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.