

Underwood & Company Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

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Underwood & Company Limited

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Underwood & Company Limited

Company Information

Director R F Underwood

Company secretary R F Underwood

Registered office The Steel Centre
Wainwright Road
Worcester
WR4 9FA

Accountants Ballards 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	4,292,440	4,299,821
Investments		500,350	500,350
		<u>4,792,790</u>	<u>4,800,171</u>
Current assets			
Debtors	<u>5</u>	169,021	100,568
Cash at bank and in hand		180,450	111,458
		349,471	212,026
Creditors: Amounts falling due within one year	<u>6</u>	(789,677)	(792,321)
Net current liabilities		(440,206)	(580,295)
Total assets less current liabilities		4,352,584	4,219,876
Creditors: Amounts falling due after more than one year	<u>6</u>	(1,654,932)	(1,793,522)
Net assets		<u>2,697,652</u>	<u>2,426,354</u>
Capital and reserves			
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		2,466,111	2,194,813
Shareholders' funds		<u>2,697,652</u>	<u>2,426,354</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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.

Underwood & Company Limited
(Registration number: 00046450)
Balance Sheet as at 31 December 2021

Approved and authorised by the director on 26 August 2022

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R F Underwood

Company secretary and director

Underwood & Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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

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 balance sheet 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:

Asset class	Depreciation method and rate
Land and buildings	not provided

Underwood & Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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 Unaudited Financial Statements for the Year Ended 31 December 2021

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.

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 the director) during the year, was 4 (2020 - 5).

Underwood & Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2021	4,240,597	5,644	123,168	4,369,409
Additions	-	-	9,237	9,237
At 31 December 2021	4,240,597	5,644	132,405	4,378,646
Depreciation				
At 1 January 2021	-	5,383	64,205	69,588
Charge for the year	-	261	16,357	16,618
At 31 December 2021	-	5,644	80,562	86,206
Carrying amount				
At 31 December 2021	4,240,597	-	51,843	4,292,440
At 31 December 2020	4,240,597	261	58,963	4,299,821

Included within the net book value of land and buildings above is £4,240,597 (2020 - £4,240,597) in respect of freehold land and buildings.

5 Debtors

	2021 £	2020 £
Trade debtors	11,445	20,391
Other debtors	157,576	80,177
Total current trade and other debtors	169,021	100,568

Underwood & Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

6 Creditors

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	<u>7</u>	133,687	126,986
Trade creditors		777	768
Amounts owed to related parties		531,409	547,723
Taxation and social security		1,510	1,927
Other creditors		122,294	114,917
		<u>789,677</u>	<u>792,321</u>
Due after one year			
Loans and borrowings	<u>7</u>	<u>1,654,932</u>	<u>1,793,522</u>

7 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	1,644,683	1,775,658
Hire purchase contracts	7,560	15,175
Redeemable preference shares	2,689	2,689
	<u>1,654,932</u>	<u>1,793,522</u>

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	126,072	108,205
Hire purchase contracts	7,615	18,781
	<u>133,687</u>	<u>126,986</u>

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.