

RICHARD WESTERN LIMITED
UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 JANUARY 2022

RICHARD WESTERN LIMITED
REGISTERED NUMBER:01296660

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	2,240,740	1,933,728
		<u>2,240,740</u>	<u>1,933,728</u>
Current assets			
Stocks	5	1,854,735	779,125
Debtors: amounts falling due within one year	6	2,149,087	1,791,360
Cash at bank and in hand	7	263	406,597
		<u>4,004,085</u>	<u>2,977,082</u>
Creditors: amounts falling due within one year	8	(3,078,682)	(2,127,957)
Net current assets		<u>925,403</u>	<u>849,125</u>
Total assets less current liabilities		<u>3,166,143</u>	<u>2,782,853</u>
Creditors: amounts falling due after more than one year	9	(783,188)	(699,776)
Provisions for liabilities			
Deferred tax	12	(202,654)	(136,669)
Other provisions		(34,208)	(22,465)
		<u>(236,862)</u>	<u>(159,134)</u>
Net assets		<u><u>2,146,093</u></u>	<u><u>1,923,943</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Revaluation reserve		436,796	436,796
Profit and loss account		1,708,297	1,486,147
		<u><u>2,146,093</u></u>	<u><u>1,923,943</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
A Western
Director

.....
R Western
Director

Date: 21 October 2022

The notes on pages 3 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. Company information

Richard Western Limited is a company incorporated in England and Wales, registration number 01296660. The registered office is D'Urbans Farm, Framlingham, Woodbridge, Suffolk, IP13 9RP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland 'FRS 102' and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year.

2.2 Going concern

The Directors have considered the Company's position at the time of signing the financial statements.

The Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue to operate within their bank overdraft and invoice discounting facility at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

Transactions in currencies other than the functional currency are recognised at the spot rate on the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences are recognised in the Statement of Income and Retained Earnings in the period in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised in the Statement of Income and Retained Earnings when the service is completed for the buyer.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.8 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Income and Retained Earnings during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- Over the life of the lease on a straight line basis
Plant & machinery	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Office equipment	- 25% on a reducing balance basis
Assets under construction	- No depreciation charge until completed

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.11 Revaluation of tangible fixed assets

Leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Income and Retained Earnings unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Statement of Income and Retained Earnings.

2.12 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance lease are depreciated over the shorter of the least term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.18 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production	45	39
Admin	11	9
	<u>56</u>	<u>48</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

4. Tangible fixed assets

	Land & buildings £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 February 2021	1,559,177	2,960,275	233,975	73,786	4,827,213
Additions	-	435,196	116,975	-	552,171
Disposals	-	(216,552)	-	-	(216,552)
At 31 January 2022	1,559,177	3,178,919	350,950	73,786	5,162,832
Depreciation					
At 1 February 2021	323,761	2,309,281	188,867	71,576	2,893,485
Charge for the year on owned assets	-	109,702	21,149	555	131,406
Charge for the year on financed assets	-	55,607	-	-	55,607
Disposals	-	(158,406)	-	-	(158,406)
At 31 January 2022	323,761	2,316,184	210,016	72,131	2,922,092
Net book value					
At 31 January 2022	<u>1,235,416</u>	<u>862,735</u>	<u>140,934</u>	<u>1,655</u>	<u>2,240,740</u>
At 31 January 2021	<u>1,235,416</u>	<u>650,994</u>	<u>45,108</u>	<u>2,210</u>	<u>1,933,728</u>

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Short leasehold	1,235,416	1,235,416
	<u>1,235,416</u>	<u>1,235,416</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

4. Tangible fixed assets (continued)

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

	2022 £	2021 £
Plant and machinery	536,530	378,136
	<u>536,530</u>	<u>378,136</u>

Included within land & buildings are leasehold improvements which were revalued on 31 January 2019. The revaluation by the directors in 2019, was based on a valuation on 31 January 2017 by professional valuers.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	305,285	305,285
Accumulated depreciation	(305,285)	(305,285)
Net book value	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Stocks

	2022 £	2021 £
Raw materials and consumables	1,168,197	473,000
Work in progress and finished goods	686,538	306,125
	<u>1,854,735</u>	<u>779,125</u>

6. Debtors

	2022 £	2021 £
Trade debtors	1,809,317	1,319,062
Amounts owed by joint ventures and associated undertakings	-	2,237
Other debtors	269,837	271,123
Prepayments and accrued income	64,540	193,545
Tax recoverable	5,393	5,393
	<u>2,149,087</u>	<u>1,791,360</u>

The company operates an invoice discounting arrangement. Amounts advanced against trade debtors are disclosed in note 8.

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	263	406,597
Less: bank overdrafts	(30,322)	-
	<u>(30,059)</u>	<u>406,597</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	30,322	-
Bank loans	42,477	37,589
Trade creditors	1,723,392	1,233,241
Other taxation and social security	48,497	34,208
Obligations under finance lease and hire purchase contracts	106,560	79,568
Other creditors	1,044,613	626,032
Accruals and deferred income	82,821	117,319
	<u>3,078,682</u>	<u>2,127,957</u>

Secured loans:

The bank loan and overdraft are secured by a First Legal Mortgage over the freehold property of Richard Western known as Factory Premises, The D'Urbans, Framlingham, Suffolk.

Debenture comprising fixed and floating charges over all the assets and undertaking of Richard Western Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

The net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

Invoice discounting arrangement:

The company utilises an invoice discounting arrangement secured on trade debtors. The amount owing by the company at the balance sheet date and included within other creditors is £1,002,745 (2021: £619,513).

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

	2022 £	2021 £
Bank loans	419,578	462,228
Net obligations under finance leases and hire purchase contracts	363,610	237,548
	<u>783,188</u>	<u>699,776</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	42,477	37,589
	<u>42,477</u>	<u>37,589</u>
Amounts falling due 1-2 years		
Bank loans	44,545	42,788
	<u>44,545</u>	<u>42,788</u>
Amounts falling due 2-5 years		
Bank loans	171,080	139,064
	<u>171,080</u>	<u>139,064</u>
Amounts falling due after more than 5 years		
Bank loans	203,953	280,376
	<u>203,953</u>	<u>280,376</u>
	<u>462,055</u>	<u>499,817</u>

11. Hire purchase and finance leases

	2022 £	2021 £
Within one year	106,560	79,568
Between 1-5 years	363,610	237,548
	<u>470,170</u>	<u>317,116</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

12. Deferred taxation

	2022 £
At beginning of year	(136,669)
Charged to profit or loss	(65,985)
At end of year	(202,654)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(208,086)	(134,851)
Short term timing differences	5,432	(1,818)
	<u>(202,654)</u>	<u>(136,669)</u>

13. Capital commitments

At 31 January 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	330,728	-
	<u>330,728</u>	<u>-</u>

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £39,271 (2021 - £33,632).

Contributions of £6,053 were payable to the fund at the balance sheet date (2021 - £4,544).

15. Related party transactions

At the balance sheet date the company was owed £16,952 by the directors (2021 - £22,022) in the form of directors' loans. The directors' loans are included within debtors falling due within one year and are on an interest free basis.

The company occupies freehold property which is owed by a director. No rent is paid by the company (2021 - £Nil).

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