

Company Registration No. 01327140 (England and Wales)

A.C. WOOD (SPECIALITY FIBRES) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2021**

PAGES FOR FILING WITH REGISTRAR



A.C. WOOD (SPECIALITY FIBRES) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		34,444		490
Investment properties	4		65,000		65,000
			<u>99,444</u>		<u>65,490</u>
Current assets					
Stocks		573,193		535,653	
Debtors	5	724,190		670,484	
Cash at bank and in hand		835,527		794,060	
		<u>2,132,910</u>		<u>2,000,197</u>	
Creditors: amounts falling due within one year	6	(448,484)		(600,373)	
Net current assets			<u>1,684,426</u>		<u>1,399,824</u>
Total assets less current liabilities			<u>1,783,870</u>		<u>1,465,314</u>
Creditors: amounts falling due after more than one year	7		(400,000)		(400,000)
Provisions for liabilities	8		(4,212)		(1,145)
Net assets			<u><u>1,379,658</u></u>		<u><u>1,064,169</u></u>
Capital and reserves					
Called up share capital			5,000		5,000
Profit and loss reserves			1,374,658		1,059,169
Total equity			<u><u>1,379,658</u></u>		<u><u>1,064,169</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MAY 2021

The financial statements were approved by the board of directors and authorised for issue on 23/02/22
and are signed on its behalf by:

A C Wood

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A C Wood

Director

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

Company information

A.C. Wood (Speciality Fibres) Limited (the 'company') is a private company limited by shares incorporated in England and Wales. The registered office is 15 Bradford Business Park, Kings Gate, Bradford, BD1 4SJ.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

Going concern

The directors of the company have reviewed its financial performance and position in light of general economic conditions and the ongoing impact of the COVID-19 pandemic. The pandemic and actions taken to mitigate its impact have had, and are expected to continue to have, an adverse impact on the economy. Whilst the directors are aware of the uncertainties this creates, they consider that the company has sufficient resources to enable it to continue operating effectively and settle its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% straight line
Office equipment	25% reducing balance
Motor vehicles	25% straight line

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.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies (Continued)

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

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.

Financial instruments

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 instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade debtors, other debtors 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 financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies (Continued)

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors, and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

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

Leases

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	5	4

3 Tangible fixed assets

	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2020	24,140	1,682	-	25,822
Additions	15,228	5,352	24,856	45,436
At 31 May 2021	39,368	7,034	24,856	71,258
Depreciation and impairment				
At 1 June 2020	24,140	1,192	-	25,332
Depreciation charged in the year	3,807	1,461	6,214	11,482
At 31 May 2021	27,947	2,653	6,214	36,814
Carrying amount				
At 31 May 2021	11,421	4,381	18,642	34,444
At 31 May 2020	-	490	-	490

4 Investment property

	2021 £
Fair value	
At 1 June 2020 and 31 May 2021	65,000

Investment property comprises of freehold land and building. The fair value of the investment property has been arrived at on the basis of valuations carried out by the directors of the company. The valuations were made by reference to market evidence of transaction prices for similar properties

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	258,246	240,952
Other debtors	465,944	429,532
	<u>724,190</u>	<u>670,484</u>

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	248,340	12,286
Corporation tax	80,547	82,380
Other creditors	119,597	505,707
	<u>448,484</u>	<u>600,373</u>

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>400,000</u>	<u>400,000</u>

The 400,000 irredeemable Preference shares of £1 each carry the right to receive a fixed cumulative preferential dividend of 3% per annum payable half yearly on 30 November and 31 May. The holders of the Preference shares have the first right to redemption of the capital paid up (including any arrears of the fixed dividend and any premium) on return of assets on winding up.

The holders of the Preference shares are not entitled to receive notice of, or attend, or vote upon resolutions at general meetings of the company unless:

- a. the resolution is to wind up the company;
- b. the resolution is to alter the rights attaching to the Preference shares

8 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	<u>4,212</u>	<u>1,145</u>

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

9 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	2,770	93
Capital gains	1,520	1,155
Other short term timing differences	(78)	(103)
	<u>4,212</u>	<u>1,145</u>
Movements in the year:		2021 £
Liability at 1 June 2020		1,145
Charge to profit or loss		3,067
Liability at 31 May 2021		<u>4,212</u>

10 Operating lease commitments

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	38,500	-
Between one and five years	68,979	-
	<u>107,479</u>	<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	450	5,400
Between one and five years	-	450
	<u>450</u>	<u>5,850</u>

A.C. WOOD (SPECIALITY FIBRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

11 Related party transactions

Transactions with related parties

During the year the company was connected to CCL Computers Limited by virtue of A C Wood being a director and shareholder in each company. A C Wood sold his shares in CCL Computers Limited and resigned as a director on 7 April 2021.

During the year CCL Computers Limited paid invoices on behalf of the company amounting to £842,725 (2020 - £573,879) and was repaid £1,246,332 (2020 - £361,681). The amount owed to CCL Computers Limited was £732 (2020 - £404,339). This balance is repayable on demand and is interest free.

During the year the company was connected to Somerwood Developments Limited by virtue of A C Wood being a director and shareholder in each company. During the year, the company advanced a loan to Somerwood Developments Limited amounting to £312,490 (2020 - £nil). The amount owed by Somerwood Developments Limited at the year end was £312,490 (2020 - £nil). The loan is repayable on demand and is interest free.

12 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Directors loan account	2.00	-	185,397	61	(168,906)	16,552
		-	185,397	61	(168,906)	16,552