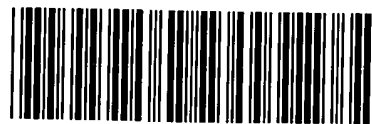

ROY LOWE & SONS LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2021

WEDNESDAY



ABEZP9XC

A13

19/10/2022

#73

COMPANIES HOUSE

ROY LOWE & SONS LIMITED
REGISTERED NUMBER: 03237511

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	5		215,552		163,667
Current assets					
Stocks		510,027		521,084	
Debtors	6	2,435,349		2,034,042	
Cash at bank and in hand	7	985,825		425,216	
		<u>3,931,201</u>		<u>2,980,342</u>	
Creditors: amounts falling due within one year	8	<u>(2,174,597)</u>		<u>(1,775,031)</u>	
Net current assets			<u>1,756,604</u>		<u>1,205,311</u>
Total assets less current liabilities			<u>1,972,156</u>		<u>1,368,978</u>
Provisions for liabilities					
Deferred tax	9		<u>(40,949)</u>		<u>(25,723)</u>
Net assets			<u><u>1,931,207</u></u>		<u><u>1,343,255</u></u>
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss account			<u>1,731,207</u>		<u>1,143,255</u>
			<u><u>1,931,207</u></u>		<u><u>1,343,255</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 comprehensive income 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 on 26 August 2022.



T Lowe
Director

The notes on pages 2 to 8 form part of these financial statements.

ROY LOWE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Roy Lowe & Sons Limited is a private limited company incorporated and domiciled in England. Its registered office and principal place of business is The Sock Mine, Coxmoor Road, Sutton-in-Ashfield, Nottinghamshire NG17 5LA.

The principal activity of the company is the wholesale supply of hosiery.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The COVID-19 pandemic had an immediate impact on the company's operations. All but one member of staff were furloughed and virtually all trading activity ceased when lockdown restrictions were first introduced in the prior year (2020), but operational changes minimised the effect of subsequent lockdown restrictions and the company utilised some but not all of the various support mechanisms instigated by the UK government.

The company is supported by its bankers in the form of an overdraft facility. Discussions with the bank give the directors no reason to believe that this support will be withdrawn.

On the basis of their assessment of the company's financial position and of the enquiries made of the bank, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ROY LOWE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Government grants

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.5 Pensions

Defined contribution pension plan

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 payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.6 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 balance sheet 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 balance sheet date, 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 balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model 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.

ROY LOWE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

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 balance sheet 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 profit or loss.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

ROY LOWE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation of tangible fixed assets

Determining the appropriate rate of depreciation of tangible fixed assets requires an estimation of the useful economic life and ultimate net realisable value. The useful economic life is determined to be the period during which each asset will generate positive cash flows for the company.

Stock valuation

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Stock is affected by seasonality and some stock lines are packaged for specific customers.

Provision is made to reduce the value of stock for slow moving and obsolete stock. Specifically packaged stock is deemed to be slow moving after a period of 24 months, at which point each stock line is individually considered in light of its previous pattern of usage and, where management considers it appropriate, the value is written down accordingly.

4. Employees

The average monthly number of employees, including directors, during the year was 27 (2020 - 26).

ROY LOWE & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

	Leasehold Property Improve- ments £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	143,121	164,523	223,781	36,377	567,802
Additions	-	27,044	138,026	19,832	184,902
Disposals	-	(74,621)	(112,115)	-	(186,736)
At 31 December 2021	<u>143,121</u>	<u>116,946</u>	<u>249,692</u>	<u>56,209</u>	<u>565,968</u>
Depreciation					
At 1 January 2021	143,121	118,839	105,798	36,377	404,135
Charge for the year on owned assets	-	15,632	59,505	181	75,318
Disposals	-	(53,755)	(75,282)	-	(129,037)
At 31 December 2021	<u>143,121</u>	<u>80,716</u>	<u>90,021</u>	<u>36,558</u>	<u>350,416</u>
Net book value					
At 31 December 2021	<u>-</u>	<u>36,230</u>	<u>159,671</u>	<u>19,651</u>	<u>215,552</u>
At 31 December 2020	<u>-</u>	<u>45,684</u>	<u>117,983</u>	<u>-</u>	<u>163,667</u>

ROY LOWE & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	163,708	150,224
Due within one year		
Trade debtors	2,070,399	1,215,397
Other debtors	2,220	-
Prepayments and accrued income	199,022	668,421
	<u>2,435,349</u>	<u>2,034,042</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	985,825	425,216
Less: bank overdrafts	-	(1,574)
	<u>985,825</u>	<u>423,642</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	1,574
Trade creditors	1,050,119	771,316
Corporation tax	217,799	88,622
Other taxation and social security	75,539	133,312
Other creditors	727,604	737,538
Accruals and deferred income	103,536	42,669
	<u>2,174,597</u>	<u>1,775,031</u>

Bank overdrafts are secured on the assets of the company and by cross collateral between Roy Lowe & Sons Limited and Martim Limited.

ROY LOWE & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Deferred taxation

	2021 £
At beginning of year	25,723
Charged to the profit or loss	15,226
At end of year	40,949

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	40,949	25,723

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
200,000 (2020 - 200,000) Ordinary shares of £1.00 each	200,000	200,000

11. Pension commitments

The company operates a defined contributions 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 £505,162 (2020 - £90,674). £12,486 (2020 - £8,157) was outstanding at the balance sheet date.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 26 August 2022 by J D Wilson (senior statutory auditor) on behalf of Barnett & Turner Accountants Ltd.