

Roy Legg Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2020

Roy Legg Limited

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Roy Legg Limited
(Registration number: 03736965)
Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	9,750	12,750
Tangible assets	<u>5</u>	75,368	83,624
		<u>85,118</u>	<u>96,374</u>
Current assets			
Stocks	<u>6</u>	3,800	3,415
Debtors	<u>7</u>	19,981	29,493
Cash at bank and in hand		90,784	21,631
		114,565	54,539
Creditors: Amounts falling due within one year	<u>8</u>	(92,874)	(85,132)
Net current assets/(liabilities)		<u>21,691</u>	<u>(30,593)</u>
Total assets less current liabilities		106,809	65,781
Creditors: Amounts falling due after more than one year	<u>8</u>	(40,811)	(21,055)
Provisions for liabilities		<u>(12,982)</u>	<u>(14,784)</u>
Net assets		<u>53,016</u>	<u>29,942</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		52,916	29,842
Total equity		<u>53,016</u>	<u>29,942</u>

Roy Legg Limited

(Registration number: 03736965)
Balance Sheet as at 31 July 2020

For the financial year ending 31 July 2020 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.

Approved and authorised by the director on 21 April 2021

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R Legg
Director

Roy Legg Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

1 General information

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

The address of its registered office is:

Unit 6
The Moorlands Centre
North Street
Martock
Somerset
TA12 6DL

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.

Going concern

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, the director has reviewed and stress tested projections and budgets for the next twelve months. Following this review, the director considers there to be little impact on the Company's ability to act as a going concern.

The director has reviewed the supply chains, key customers and the capital resources available and consider that the company has adequate resources in place to continue trading for the next twelve months.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred 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.

Roy Legg Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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
Property improvement	10 % Straight line
Furniture, fittings and equipment	20 % Reducing balance
Other property, plant and equipment	20 % Reducing balance
Motor vehicles	25 % Reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Equal instalments over 20 years

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.

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Notes to the Financial Statements for the Year Ended 31 July 2020

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

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.

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Notes to the Financial Statements for the Year Ended 31 July 2020

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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 the director) during the year was 33 (2019 - 33).

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Notes to the Financial Statements for the Year Ended 31 July 2020

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 August 2019	60,000	60,000
At 31 July 2020	60,000	60,000
Amortisation		
At 1 August 2019	47,250	47,250
Amortisation charge	3,000	3,000
At 31 July 2020	50,250	50,250
Carrying amount		
At 31 July 2020	9,750	9,750
At 31 July 2019	12,750	12,750

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Notes to the Financial Statements for the Year Ended 31 July 2020

5 Tangible assets

	Property improvements £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 August 2019	12,506	88,369	43,899	91,586	236,360
Additions	2,155	650	-	11,419	14,224
Disposals	-	-	(10,650)	(3,165)	(13,815)
At 31 July 2020	14,661	89,019	33,249	99,840	236,769
Depreciation					
At 1 August 2019	8,551	60,612	25,240	58,333	152,736
Charge for the year	1,027	5,552	3,565	7,533	17,677
Eliminated on disposal	-	-	(6,251)	(2,761)	(9,012)
At 31 July 2020	9,578	66,164	22,554	63,105	161,401
Carrying amount					
At 31 July 2020	5,083	22,855	10,695	36,735	75,368
At 31 July 2019	3,955	27,757	18,659	33,253	83,624

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Notes to the Financial Statements for the Year Ended 31 July 2020

6 Stocks

	2020 £	2019 £
Raw materials and consumables	3,800	3,415

7 Debtors

	2020 £	2019 £
Trade debtors	15,262	25,961
Prepayments	448	1,093
Other debtors	4,271	2,439
	19,981	29,493

Roy Legg Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	10,243	15,429
Trade creditors		33,557	25,146
Directors loan account	<u>10</u>	9,742	13,376
Other creditors		535	1,309
Accruals and deferred income		16,435	17,072
Social security and other taxes		4,738	2,872
Corporation tax liability		17,624	9,928
		<u>92,874</u>	<u>85,132</u>

Due after one year

Loans and borrowings	<u>9</u>	<u>40,811</u>	<u>21,055</u>
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Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>40,811</u>	<u>21,055</u>

9 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	30,000	-
Finance lease liabilities	<u>10,811</u>	<u>21,055</u>
	<u>40,811</u>	<u>21,055</u>

	2020 £	2019 £
Current loans and borrowings		
Finance lease liabilities	<u>10,243</u>	<u>15,429</u>

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Notes to the Financial Statements for the Year Ended 31 July 2020

10 Related party transactions

Loans from related parties

	Key management £	Total £
2020		
At start of period	13,376	13,376
Advanced	63,621	63,621
Repaid	(67,255)	(67,255)
	<u>9,742</u>	<u>9,742</u>
At end of period	<u>9,742</u>	<u>9,742</u>
	Key management £	Total £
2019		
At start of period	32,679	32,679
Advanced	26,353	26,353
Repaid	(45,656)	(45,656)
	<u>13,376</u>	<u>13,376</u>
At end of period	<u>13,376</u>	<u>13,376</u>

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