

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**  
**FOR**  
**FLAGDAWN LIMITED**

Magma Audit LLP  
Chartered Accountants  
Statutory Auditor  
Magma House, 16 Davy Court  
Castle Mound Way  
Rugby  
CV23 0UZ

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for the year ended 31 October 2020**

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**FLAGDAWN LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 October 2020**

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<b>DIRECTORS:</b>	P S Clarke A M J Scott
<b>SECRETARY:</b>	P S Clarke
<b>REGISTERED OFFICE:</b>	The Caravan Company Dorchester Road Wimborne Dorset BH21 3HA
<b>REGISTERED NUMBER:</b>	05132696 (England and Wales)
<b>AUDITORS:</b>	Magma Audit LLP Chartered Accountants Statutory Auditor Magma House, 16 Davy Court Castle Mound Way Rugby CV23 0UZ

**BALANCE SHEET**  
31 October 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	4	64,000	64,697
Investments	5	310,000	310,000
		<u>374,000</u>	<u>374,697</u>
<b>CURRENT ASSETS</b>			
Debtors	6	321,407	352,162
Cash at bank		6,464	-
		<u>327,871</u>	<u>352,162</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	(300,853)	(344,087)
<b>NET CURRENT ASSETS</b>		<u>27,018</u>	<u>8,075</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>401,018</u>	<u>382,772</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		400,100	400,100
Retained earnings		918	(17,328)
<b>SHAREHOLDERS' FUNDS</b>		<u>401,018</u>	<u>382,772</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2021 and were signed on its behalf by:

P S Clarke - Director

Flagdawn Limited is a private limited company, registered in England and Wales. Its registered office address is The Caravan Company, Dorchester Road, Wimborne, Dorset, BH21 3HA and the registered number is 05132696.

### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

**Going concern**

The directors have prepared the financial statements on a going concern basis and in doing so have considered the impact of the COVID-19 outbreak. The Directors continue to mitigate this situation by, among other measures, taking advantage of appropriate support initiatives which the government has introduced to help businesses minimise the impact of COVID-19. The results for the year show that the company has adapted well to difficult conditions. The directors expect this to continue and therefore consider the company to have sufficient resources and support to meet it's liabilities as they fall due for at least 12 months from the signing of these financial statements and have therefore prepared the financial statements on a going concern basis.

## Preparation of consolidated financial statements

The financial statements contain information about Flagdawn Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

### 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either a straight line or reducing balance method, as indicated below.

Depreciation is provided on the following basis:

Fixtures and fittings - 25% straight line

Freehold land is not depreciated.

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.

### Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less provision for permanent diminution in value.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 October 2020**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes as financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors 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.

**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 of income and expense recognised as other comprehensive income or to an item recognised directly in equity respectively.

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.

Both current and deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Grants**

The company has received funding in the form of grants relating to the Coronavirus Job Retention Scheme (CJRS). The grant funding is released to the profit and loss account in full in the year the conditions of the grant funding have been met and is included within Other income.

**Management charges**

Included within Other income are Management charges which represents recharges to its subsidiary company and a company under common control.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 5 (2019 - 5) .

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 October 2020

## 4. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 November 2019 and 31 October 2020	<u>64,000</u>	<u>11,519</u>	<u>75,519</u>
<b>DEPRECIATION</b>			
At 1 November 2019	-	10,822	10,822
Charge for year	-	<u>697</u>	<u>697</u>
At 31 October 2020	-	<u>11,519</u>	<u>11,519</u>
<b>NET BOOK VALUE</b>			
At 31 October 2020	<u>64,000</u>	<u>-</u>	<u>64,000</u>
At 31 October 2019	<u>64,000</u>	<u>697</u>	<u>64,697</u>

## 5. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
<b>COST</b>	
At 1 November 2019 and 31 October 2020	<u>310,000</u>
<b>NET BOOK VALUE</b>	
At 31 October 2020	<u>310,000</u>
At 31 October 2019	<u>310,000</u>

## 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed by group undertakings	294,152	291,152
Directors' current accounts	3,252	3,252
Tax	1,057	28,161
VAT	8,683	8,246
Deferred tax asset	2,640	4,337
Prepayments	<u>11,623</u>	<u>17,014</u>
	<u>321,407</u>	<u>352,162</u>

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	-	2,357
Trade creditors	6,411	12,778
Amounts owed to group undertakings	-	2,885
Tax	4,194	32,670
Social security and other taxes	9,022	9,231
Other creditors	246,041	249,041
Accrued expenses	<u>35,185</u>	<u>35,125</u>
	<u>300,853</u>	<u>344,087</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 October 2020**

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**8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Victoria Craig (Senior Statutory Auditor)  
for and on behalf of Magma Audit LLP

**9. CONTINGENT LIABILITIES**

The company is part of a group VAT registration with its subsidiaries and other related party companies under common control. The company is jointly and severally liable for the liabilities of the VAT group to which it belongs. At 31 October 2020, the group VAT liability amounted to £125,784 (2019: £192,869) of which a debtor of £8,683 (2019: £8,246) is recognised in Flagdawn Limited.

The company is party to a cross guarantee arrangement in relation to the stock financing borrowings of the group and other related party companies under common control. Security has been given in the form of a fixed and floating debenture over all assets of the company. At the balance sheet date the potential liability amounted to £539,534 (2019: £744,264) of which £nil (2019: £nil) is recognised in Flagdawn Limited.

**10. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the year end, a balance of £246,041 (2019: £249,041) was due to a company under common control.

During the year the company received income in the form of management charges from its subsidiaries and a company under common control totalling £411,000 (2019: 398,000).



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