

Marsh Footwear Brands Limited

Filleted Financial Statements
for the Year Ended 31 July 2020

Marsh Footwear Brands Limited
(Registration number: 06221251)

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Marsh Footwear Brands Limited
(Registration number: 06221251)

Company Information

Directors	S Marsh R Marsh P Marsh S Ball
Registered office	Hennock Court Hennock Road East Marsh Barton Trading Estate Exeter Devon EX2 8RU
Auditors	Thompson Jenner LLP Statutory Auditors 28 Alexandra Terrace Exmouth Devon EX8 1BD

Marsh Footwear Brands Limited
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Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	88,155	105,832
Current assets			
Stocks	<u>5</u>	437,276	771,534
Debtors	<u>6</u>	946,417	456,790
Cash at bank and in hand		63,407	40,478
		1,447,100	1,268,802
Creditors: Amounts falling due within one year	<u>7</u>	(785,543)	(646,223)
Net current assets		661,557	622,579
Total assets less current liabilities		749,712	728,411
Provisions for liabilities		(16,366)	(16,366)
Net assets		<u>733,346</u>	<u>712,045</u>
Capital and reserves			
Called up share capital		600,002	600,002
Profit and loss account		133,344	112,043
Total equity		<u>733,346</u>	<u>712,045</u>

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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 19 February 2021 and signed on its behalf by:

.....

S Marsh
Director

Marsh Footwear Brands Limited
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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 & Wales.

The company was formerly known as Chatham Marine Limited.

The address of its registered office is:

Hennock Court
Hennock Road East
Marsh Barton Trading Estate
Exeter
Devon
EX2 8RU

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.

The directors have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements.

In addition, the Directors do not consider it to cast any significant doubt upon the company's ability to continue to trade as a going concern.

The directors have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cash flow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key customer and supplier activity.

The directors have implemented a robust system of procedures and controls in order to deal with any associated risks.

Going concern

The financial statements have been prepared on a going concern basis.

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on3 March 2021 was Mr Neil Curtis, who signed for and on behalf of Thompson Jenner LLP.

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

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.

Government grants

The Coronavirus Job Retention Scheme grant has been credited to other income so as to match the grant to the underlying eligible furloughed staff expenditure to which it relates.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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
Equipment	25% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

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

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.

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.

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.

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

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.

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 directors) during the year, was 11 (2019 - 12).

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

4 Tangible assets

	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 August 2019	146,747	46,842	80,396	273,985
Additions	2,170	-	4,583	6,753
At 31 July 2020	148,917	46,842	84,979	280,738
Depreciation				
At 1 August 2019	91,009	32,374	44,770	168,153
Charge for the year	10,850	3,617	9,963	24,430
At 31 July 2020	101,859	35,991	54,733	192,583
Carrying amount				
At 31 July 2020	47,058	10,851	30,246	88,155
At 31 July 2019	55,738	14,468	35,626	105,832

5 Stocks

	2020 £	2019 £
Finished goods and goods for resale	437,276	771,534

6 Debtors

	2020 £	2019 £
Trade debtors	225,598	407,891
Amounts owed by group undertakings	555,129	-
Other debtors	6,437	20,906
Prepayments and accrued income	159,253	27,993
Total current trade and other debtors	946,417	456,790

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

7 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	<u>8</u>	355,582	-
Trade creditors		224,879	259,178
Amounts owed to group undertakings		53,407	282,454
Taxation and social security		98,077	77,466
Other creditors		3,404	-
Accrued expenses		50,194	27,125
		<u>785,543</u>	<u>646,223</u>

8 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	<u>355,582</u>	<u>-</u>

The bank overdraft is secured by fixed and floating charges over the undertaking and all property and assets of the company.

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £17,235 (2019 - £35,819). As at 31 July 2019 the company had annual commitments under non-cancellable operating leases due within one year of £10,101 (2019 - £18,584).

There is a cross guarantee for the group overdraft facility between Marsh Footwear Brands Limited and Sterling & Hunt Limited. The maximum potential liability at the balance sheet date is £355,582 (2019 - £650,577).

At the balance sheet date, the company had a guarantee for £nil (2019 - £60,000) in favour of HMRC (with recourse).

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

10 Related party transactions

Transactions with directors

	At 1 August 2018	Advances to directors	Repayments by directors	At 31 July 2019
	£	£	£	£
2019				
Interest free trade debtor account	508	588	(1,052)	44
	<u>508</u>	<u>588</u>	<u>(1,052)</u>	<u>44</u>

	At 1 August 2019	Advances to directors	Repayments by directors	At 31 July 2020
	£	£	£	£
2020				
Interest free trade debtor account	44	142	(145)	41
	<u>44</u>	<u>142</u>	<u>(145)</u>	<u>41</u>

11 Parent and ultimate parent undertaking

The company's immediate parent is Stuart Marsh Shoes Limited, incorporated in England & Wales.

These financial statements are available upon request from Hennock Court, Hennock Road East, Marsh Barton Trading Estate, Exeter, Devon, EX2 8RU.

12 Non adjusting events after the financial period

From 1 August 2020 the trading assets of Sterling & Hunt Limited were transferred to Chatham Marine Limited. The combined operating entity was rebranded Marsh Footwear Brands Limited.

The one company approach will result in a more focused administration with resulting cost savings, while investing in the Chatham and Sterling & Hunt brands.

These moves will greatly strengthen the company going forward in these challenging times.

Exmouth

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