Company Registration No. 06414633 (England and Wales)

GRAHAM'S GARDEN MACHINERY LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PAGES FOR FILING WITH REGISTRAR

GRAHAM'S GARDEN MACHINERY LTD

COMPANY INFORMATION

Directors	G R Denslow J E Denslow M J Gresty
Secretary	J E Denslow
Company number	06414633
Registered office	Brighton Cross Grampound Road Truro Cornwall United Kingdom TR2 4HD
Accountants	Azets Woodlands Court Truro Business Park Truro Cornwall United Kingdom TR4 9NH

GRAHAM'S GARDEN MACHINERY LTD

CONTENTS

GRAHAM'S GARDEN MACHINERY LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**4**		40,500		47,250
Tangible assets	**5**		356,412		276,102
			396,912		323,352
Current assets					
Stocks		174,176		112,370	
Debtors	**6**	53,063		96,815	
Cash at bank and in hand		49,496		111,411	
		276,735		320,596	
Creditors: amounts falling due within one year	**7**	(221,948)		(193,344)	
Net current assets			54,787		127,252
Total assets less current liabilities			451,699		450,604
Creditors: amounts falling due after more than one year	**8**		(103,725)		(145,619)
Provisions for liabilities			(33,568)		(13,859)
Net assets			314,406		291,126
Capital and reserves					
Called up share capital			3		3
Retained earnings			314,403		291,123
Total equity			314,406		291,126

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

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.

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.

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

GRAHAM'S GARDEN MACHINERY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24 August 2022 and are signed on its behalf by:

J E Denslow
Director

Company Registration No. 06414633

1 Accounting policies

Company information

Graham's Garden Machinery Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Brighton Cross, Grampound Road, Truro, Cornwall, United Kingdom, TR2 4HD.

1.1 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 a mounts in these financial statements are rounded to the nearest pound sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the directors considered the impact of the ongoing COVID-19 pandemic.Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

Revenue from the provision of services is recognised as the services are performed.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.5 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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

Freehold property	- 2% straight line
Leasehold improvements	- 5% straight line
Plant and equipment	- 15% straight line
Motor vehicles	- 25% straight line

Freehold land is not depreciated.

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1 Accounting policies **(Continued)**

1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	2021 Number	2020 Number
Total	13	13

3 Dividends

	2021 Per share £	2020 Per share £	2021 Total £	2020 Total £
Ordinary shares				
Interim paid	37,400.00	12,000.00	112,200	26,000

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	135,000
Amortisation and impairment	
At 1 January 2021	87,750
Amortisation charged for the year	6,750
At 31 December 2021	94,500
Carrying amount	
At 31 December 2021	40,500
At 31 December 2020	47,250

5 Tangible fixed assets

	Freehold property	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	204,331	10,296	114,417	46,146	375,190
Additions	54,642	-	62,227	-	116,869
Disposals	-	-	(40,000)	-	(40,000)
At 31 December 2021	258,973	10,296	136,644	46,146	452,059
Depreciation and impairment					
At 1 January 2021	-	5,535	77,413	16,140	99,088
Depreciation charged in the year	4,379	515	8,778	8,762	22,434
Eliminated in respect of disposals	-	-	(25,875)	-	(25,875)
At 31 December 2021	4,379	6,050	60,316	24,902	95,647
Carrying amount					
At 31 December 2021	254,594	4,246	76,328	21,244	356,412
At 31 December 2020	204,331	4,761	37,004	30,006	276,102

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021	2020
	£	£
Motor vehicles	21,244	30,007
	21,244	30,007

Freehold land is not depreciated. The carrying amounts of freehold land is £40,000 (2020 - £40,000),

6 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	18,657	23,157
Other debtors	34,406	73,658
	53,063	96,815

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	140,047	146,484
Corporation tax	22,201	22,182
Other taxation and social security	9,661	3,155
Other creditors	50,039	21,523
	221,948	193,344

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	103,725	145,619

9 Loans and overdrafts

	2021	2020
	£	£
Other loans	134,915	146,000
Payable within one year	34,382	11,085
Payable after one year	100,533	134,915

10 Finance lease obligations

	2021	2020
Future minimum lease payments due under finance leases:	£	£
Within one year	7,512	7,512
In two to five years	3,192	10,704
	10,704	18,216

Finance lease payments represent amounts payable by the company in respect of certain motor vehicles and are included in other creditors. The liabilities are secured by the related motor vehicle.

11 Deferred taxation

The following are the deferred tax liabilities recognised by the company and movements thereon:

Balances:	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	33,568	13,859

Movements in the year:	2021 £
Liability at 1 January 2021	13,859
Charge to profit or loss	19,709
Liability at 31 December 2021	33,568

12 Directors' transactions

During the year the company incurred rental expenses of £4,880 (2020: £5,209) from G R and J E Denslow.

The amounts owed by the directors are repayable on demand and are included in Debtors: Amounts falling due within one year.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
G R & J E Denslow	2.19	41,432	61,897	711	(79,680)	24,360
M J Gresty	2.19	17,140	15,524	229	(37,400)	(4,507)
		58,572	77,421	940	(117,080)	19,853

13 Ultimate controlling party

G R & J E Denslow are the ultimate controlling party by virtue of their combined majority shareholding.