

Registration number: 06519223

# Sweetnam & Bradley Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2019

Pages for filing with Registrar



# **Sweetnam & Bradley Limited**

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## **Sweetnam & Bradley Limited**

### **Company Information**

<b>Directors</b>	C D Honer
	N F Johnson
	R T Wiltshire
	N G Roberts
	B K Roberts
	C G H Olejnik
<b>Registered office</b>	Industrial Estate Gloucester Road Malmesbury Wiltshire SN16 0DY
<b>Registered number</b>	06519223
<b>Auditors</b>	Corrigan Accountants Limited The Tramshed 25 Lower Park Row Bristol BS1 5BN

**Sweetnam & Bradley Limited**  
**(Registration number: 06519223)**  
**Balance Sheet as at 30 June 2019**

	Note	2019 £	(restated) 2018 £
<b>Fixed assets</b>			
Tangible assets	6	479,804	556,891
		<u>479,804</u>	<u>556,891</u>
<b>Current assets</b>			
Stocks		196,724	201,422
Debtors	7	360,537	399,759
Cash at bank and in hand		1,167,258	925,976
		<u>1,724,519</u>	<u>1,527,157</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(360,462)</u>	<u>(370,984)</u>
<b>Net current assets</b>		<u>1,364,057</u>	<u>1,156,173</u>
<b>Total assets less current liabilities</b>		1,843,861	1,713,064
<b>Provisions for liabilities</b>	5	<u>(88,000)</u>	<u>(102,250)</u>
<b>Net assets</b>		<u>1,755,861</u>	<u>1,610,814</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		1,754,861	1,609,814
<b>Total equity</b>		<u>1,755,861</u>	<u>1,610,814</u>

The notes on pages 4 to 14 form an integral part of these financial statements.  
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**Sweetnam & Bradley Limited**


**(Registration number: 06519223)**

**Balance Sheet as at 30 June 2019**

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 for issue by the Board on 15/1/20 and signed on its behalf by:



N G Roberts

Director

The notes on pages 4 to 14 form an integral part of these financial statements.

## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **1 Statutory information**

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

The address of its registered office is:

Industrial Estate  
Gloucester Road  
Malmesbury  
Wiltshire  
SN16 0DY

#### **2 Accounting policies**

##### **Summary of significant accounting policies**

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.

##### **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.

The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Revenue recognition**

Revenue consists of the sale of fabricated sheet metal products.

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of 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.*

## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **2 Accounting policies (continued)**

##### **Tax**

The tax expense for the period represents the sum of the current tax expense and deferred tax expense. 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.

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.

##### **Deferred 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 fixed assets**

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Plant & machinery	15% on reducing balance
Furniture & fixtures	15% on reducing balance
Motor vehicles	25% on reducing balance
Office equipment	25% on reducing balance

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits.

##### **Trade debtors**

Trade debtors are recognised initially at the transaction price. They are subsequently measured 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.

## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **2 Accounting policies (continued)**

##### **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 recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **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.

##### **Dividends**

Dividends distributed to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.



## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **2 Accounting policies (continued)**

##### **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.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

#### **3 Prior year adjustment**

The company's results for the year ended 30 June 2018 have been restated from those results previously reported. The cost of employees' unused holiday entitlement is now recognised in the period in which services are received.

a) Accruals as at 30 June 2018 have been increased by £22,315 to recognise the cost of untaken holiday. The re-assessment of accruals as at 30 June 2017, for the same issue, resulted in a £20,163 increase to accruals at that date.

Therefore the overall impact of these adjustments on the company's results for the year ended 30 June 2018 was to:

- Increase costs by £2,152
- Decrease profits by £2,152
- Reduce reserves brought forward as at 1 July 2017 by £20,163
- Reduce net assets and reserves carried forward as at 30 June 2018 by £22,315

#### **4 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 41 (2018 - 43).

## Sweetnam & Bradley Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 5 Taxation

##### Deferred tax

Deferred tax assets and liabilities:

	Liability £
<b>2019</b>	
Accelerated tax depreciation	<u>88,000</u>
	Liability £
<b>2018</b>	
Accelerated tax depreciation	<u>102,250</u>

# Sweetnam & Bradley Limited

## Notes to the Financial Statements for the Year Ended 30 June 2019

### 6 Tangible fixed assets

	Office equipment £	Motor vehicles £	Furniture & fixtures £	Plant & machinery £	Total £
<b>Cost</b>					
At 1 July 2018	38,362	37,196	24,892	942,376	1,042,826
Additions	19,801	-	-	-	19,801
Disposals	(28,422)	-	(7,989)	(48,903)	(85,314)
At 30 June 2019	<u>29,741</u>	<u>37,196</u>	<u>16,903</u>	<u>893,473</u>	<u>977,313</u>
<b>Depreciation</b>					
At 1 July 2018	27,771	32,983	17,615	407,566	485,935
Charge for the year	3,163	1,053	1,092	80,221	85,529
Eliminated on disposal	(26,266)	-	(6,697)	(40,992)	(73,955)
At 30 June 2019	<u>4,668</u>	<u>34,036</u>	<u>12,010</u>	<u>446,795</u>	<u>497,509</u>
<b>Carrying amount</b>					
At 30 June 2019	<u>25,073</u>	<u>3,160</u>	<u>4,893</u>	<u>446,678</u>	<u>479,804</u>
At 30 June 2018	<u>10,591</u>	<u>4,213</u>	<u>7,277</u>	<u>534,810</u>	<u>556,891</u>

# Sweetnam & Bradley Limited

## Notes to the Financial Statements for the Year Ended 30 June 2019

### 7 Debtors: amounts falling due within one year

	2019	2018
	£	£
Trade debtors	263,242	319,946
Other debtors	2,020	2,085
Prepayments	80,395	77,728
Directors' accounts	14,880	-
	<u>360,537</u>	<u>399,759</u>

### 8 Creditors

#### Creditors: amounts falling due within one year

	2019	(restated) 2018
	£	£
Hire purchase contracts	-	66,666
Trade creditors	105,196	71,351
Corporation tax	50,319	92,544
Social security and other taxes	83,155	98,159
Other creditors	13,863	11,165
Accruals	107,929	31,099
	<u>360,462</u>	<u>370,984</u>

#### Hire purchase contracts

Hire purchase liabilities are secured againsts the assets to which they relate.

# Sweetnam & Bradley Limited

## Notes to the Financial Statements for the Year Ended 30 June 2019

### 9 Share capital

#### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 10 Obligations under leases

#### Operating leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Operating lease commitments	<u>813,333</u>	<u>371,946</u>

### 11 Related party transactions

#### Transactions with directors

	At 1 July 2018	Advances to directors	Personal expenses paid by the business	At 30 June 2019
	£	£	£	£
2019	<u>-</u>	<u>11,400</u>	<u>3,480</u>	<u>14,880</u>

#### Expenditure with related parties

	Key management
	£
2019	
Lease expense	<u>80,000</u>
	Key management
	£
2018	
Lease expense	<u>80,000</u>

## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **12 Parent and ultimate parent undertaking**

Since the acquisition of all of the company's share capital on 5 April 2019, the company's immediate and ultimate parent undertaking is Megasteel Ltd, incorporated in England and Wales.

The parent of the largest and smallest group in which these financial statements are consolidated is Megasteel Ltd.

The address of Megasteel Ltd is:  
Rodbourne Rail Business Centre  
Grange Lane  
Malmesbury  
Wiltshire  
SN16 0ES

## **Sweetnam & Bradley Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **13 Audit report**

The Independent Auditor's Report on the financial statements was qualified as follows:

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The basis for the qualified opinion was explained in the Auditor's Report as follows:

#### **"Basis for qualified opinion**

We were not appointed as auditor of the company until after 30 June 2018 and therefore did not observe the counting of physical stocks at the start of the year. We were unable to obtain sufficient appropriate audit evidence regarding the stock quantities held at 30 June 2018 by using other audit procedures. These stock quantities are included in the opening balance sheet at £201,422. Consequently we were unable to determine whether any adjustments to this amount were necessary. Any adjustments to this opening stock balance would have an effect on the profit for the year ended 30 June 2019, which would also then affect the tax charge on the profit for the year."

In addition, the Auditor's Report included the following statement:

"Arising solely from the limitation on the scope of our work relating to stocks, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept."

The senior statutory auditor was Stuart Crisp BSc FCA. The auditor was Corrigan Accountants Limited.