

GROCOTT & MURFIT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

GROCOTT & MURFIT LIMITED
REGISTERED NUMBER: 07336929

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	399,318	345,958
Investment property	5	990,000	990,000
		<u>1,389,318</u>	<u>1,335,958</u>
Current assets			
Stocks	6	5,000	1,306,512
Debtors: amounts falling due within one year	7	2,457,614	2,133,063
Cash at bank and in hand	8	437,257	172,968
		<u>2,899,871</u>	<u>3,612,543</u>
Creditors: amounts falling due within one year	9	(1,928,195)	(2,499,184)
Net current assets		<u>971,676</u>	<u>1,113,359</u>
Total assets less current liabilities		<u>2,360,994</u>	<u>2,449,317</u>
Creditors: amounts falling due after more than one year	10	(542,660)	(907,771)
Provisions for liabilities			
Deferred tax		(142,557)	(99,362)
		<u>(142,557)</u>	<u>(99,362)</u>
Net assets		<u><u>1,675,777</u></u>	<u><u>1,442,184</u></u>
Capital and reserves			
Called up share capital		120	120
Share premium account		15,980	15,980
Profit and loss account		1,659,677	1,426,084
		<u><u>1,675,777</u></u>	<u><u>1,442,184</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Grocott
Director

.....
J Murfit
Director

Date: 30 May 2022

The notes on pages 3 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Grocott & Murfit Limited is a company limited by shares incorporated in England & Wales, registered number 07336929. The address of the registered office is Heath Barn, Norwich Road, Fakenham, Norfolk, NR21 8LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the effects of the Coronavirus pandemic and its on-going impact on the Company and the wider economy. As part of their assessment, they have taken into consideration a number of possible trading performance, profitability and cash flow scenarios. The Directors have also considered the Company's current working capital facilities, the financial support receivable from the UK government, together with the range of measures they have, and may take, to mitigate ongoing costs.

Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements, and they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred 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 recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	Reducing balance/4% straight line
Motor vehicles	-	25%	Reducing balance
Fixtures and fittings	-	25%	Reducing balance
Tenants capital improvement	-	4%	Straight line

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.

2.11 Investment property

Investment property is carried at fair value determined annually by the Directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. If required, the Directors will obtain external professional advice on the investment property valuation. No depreciation is provided. Changes in fair value are recognised in the profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Average Employees	<u>41</u>	<u>31</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Tenants capital improvement £	Total £
Cost or valuation					
At 1 September 2020	294,294	370,439	60,298	34,572	759,603
Additions	1,500	112,935	15,448	7,647	137,530
Disposals	(16,000)	-	-	-	(16,000)
At 31 August 2021	279,794	483,374	75,746	42,219	881,133
Depreciation					
At 1 September 2020	169,587	208,668	34,005	1,383	413,643
Charge for the year on owned assets	18,386	50,681	9,417	1,559	80,043
Disposals	(11,871)	-	-	-	(11,871)
At 31 August 2021	176,102	259,349	43,422	2,942	481,815
Net book value					
At 31 August 2021	103,692	224,025	32,324	39,277	399,318
At 31 August 2020	124,706	161,770	26,293	33,189	345,958

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	19,576	28,940
Motor vehicles	181,594	143,110
	<u>201,170</u>	<u>172,050</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Investment property

	Freehold investment property £
Valuation	
At 1 September 2020	990,000
At 31 August 2021	990,000

The 2021 valuations were made by D Grocott, on an open market value for existing use basis.

6. Stocks

	2021 £	2020 £
Raw materials and consumables	5,000	1,306,512
	<u>5,000</u>	<u>1,306,512</u>

7. Debtors

	2021 £	2020 £
Trade debtors	448,249	56,191
Other debtors	1,160,701	1,238,704
Prepayments and accrued income	848,664	838,168
	<u>2,457,614</u>	<u>2,133,063</u>

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	437,257	172,968
	<u>437,257</u>	<u>172,968</u>

GROCOTT & MURFIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	37,789	23,991
Other loans	183,166	909,943
Trade creditors	762,547	888,433
Corporation tax	102,955	121,329
Other taxation and social security	196,796	44,767
Obligations under finance lease and hire purchase contracts	86,638	90,692
Other creditors	376,640	157,046
Accruals and deferred income	181,664	262,983
	<u>1,928,195</u>	<u>2,499,184</u>

The following liabilities were secured:

	2021 £	2020 £
Bank loans	27,789	22,324
Net obligations under finance leases and hire purchase contracts	86,640	90,692
	<u>114,429</u>	<u>113,016</u>

Details of security provided:

The above bank loans are secured against the freehold property being units 9, 10 and 11 at Clipbush Business Park, Fakenham, whilst the hire purchase liabilities are secured against the assets they were used to purchase.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	458,737	496,557
Other loans	-	332,400
Net obligations under finance leases and hire purchase contracts	83,923	78,814
	<u>542,660</u>	<u>907,771</u>

The following liabilities were secured:

	2021 £	2020 £
Bank loans	420,403	448,223
Net obligations under finance leases and hire purchase contracts	83,923	78,814
	<u>504,326</u>	<u>527,037</u>

Details of security provided:

The above bank loans are secured against the freehold property being units 9, 10 and 11 at Clipbush Business Park, Fakenham, whilst the hire purchase liabilities are secured against the assets they were used to purchase.

**NOTES TO THE FINANCIAL STATEMENTS
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11. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	37,789	23,991
Other loans	183,166	909,943
	<u>220,955</u>	<u>933,934</u>
Amounts falling due 1-2 years		
Bank loans	38,568	37,575
Other loans	-	55,400
	<u>38,568</u>	<u>92,975</u>
Amounts falling due 2-5 years		
Bank loans	118,330	117,508
Other loans	-	166,200
	<u>118,330</u>	<u>283,708</u>
Amounts falling due after more than 5 years		
Bank loans	301,839	341,474
Other loans	-	110,800
	<u>301,839</u>	<u>452,274</u>
	<u><u>679,692</u></u>	<u><u>1,762,891</u></u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	86,640	90,692
Between 1-5 years	83,923	78,814
	<u>170,563</u>	<u>169,506</u>

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