

The Powder Keg Firework Company Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2022

The Powder Keg Firework Company Limited

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The Powder Keg Firework Company Limited

Company Information

Director P C Robinson

Registered office Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

The Powder Keg Firework Company Limited

(Registration number: 08413094)

Balance Sheet as at 31 January 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	39,533	17,415
Current assets			
Stocks	<u>5</u>	525,000	495,000
Debtors	<u>6</u>	4,462	4,048
		529,462	499,048
Creditors: Amounts falling due within one year	<u>7</u>	(417,543)	(411,233)
Net current assets		111,919	87,815
Total assets less current liabilities		151,452	105,230
Creditors: Amounts falling due after more than one year	<u>7</u>	(38,079)	(47,645)
Provisions for liabilities		(6,208)	(3,309)
Net assets		<u>107,165</u>	<u>54,276</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		107,163	54,274
Shareholders' funds		<u>107,165</u>	<u>54,276</u>

For the financial year ending 31 January 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 director on 18 May 2022

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P C Robinson
Director

The notes on pages 3 to 7 form an integral part of these financial statements.

The Powder Keg Firework Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

1 General information

The company is a private company limited by share capital incorporated in England & Wales and the company registration number is 08413094.

The address of its registered office is:

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT
England

These financial statements were authorised for issue by the director on 18 May 2022.

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 financial statements have been prepared in sterling and are rounded to the nearest pound.

Revenue recognition

Turnover arises from the sale of goods. Turnover is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods in the normal course of business, net of discounts and other sales-related taxes.

Turnover from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods, which is when the goods are delivered to the customer.

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 of each of the companies activities.

Tax

The tax expense for the period comprises current and deferred tax. 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 in the countries where the company operates and generates taxable income.

The Powder Keg Firework Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position 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.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss has been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

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
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

Trade debtors

Trade debtors are amounts due from customers for the sale of goods in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. 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.

The Powder Keg Firework Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

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.

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.

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.

Dividends

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

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 1 (2021 - 1).

The Powder Keg Firework Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

4 Tangible assets

	Improvements to property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2021	-	8,923	20,760	29,683
Additions	13,717	-	26,523	40,240
Disposals	-	-	(20,760)	(20,760)
At 31 January 2022	13,717	8,923	26,523	49,163
Depreciation				
At 1 February 2021	-	5,446	6,822	12,268
Charge for the year	-	869	5,057	5,926
Eliminated on disposal	-	-	(8,564)	(8,564)
At 31 January 2022	-	6,315	3,315	9,630
Carrying amount				
At 31 January 2022	13,717	2,608	23,208	39,533
At 31 January 2021	-	3,477	13,938	17,415

5 Stocks

	2022 £	2021 £
Other inventories	525,000	495,000

6 Debtors

	2022 £	2021 £
Other debtors	190	545
Prepayments and accrued income	4,272	3,503
Total current trade and other debtors	4,462	4,048

The Powder Keg Firework Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2022

7 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	228,798	289,271
Trade creditors		3,560	13,729
Taxation and social security		56,355	22,875
Accruals and deferred income		1,450	29,404
Other payables		127,380	55,954
		<u>417,543</u>	<u>411,233</u>

Due after one year

Loans and borrowings	<u>8</u>	<u>38,079</u>	<u>47,645</u>
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8 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	<u>38,079</u>	<u>47,645</u>

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	9,567	2,355
Bank overdrafts	<u>219,231</u>	<u>286,916</u>
	<u>228,798</u>	<u>289,271</u>

The bank overdraft is secured by a fixed and floating charge over all of the assets and undertakings of the company. Bank loans are unsecured.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.