

CRIMSON GUITARS LIMITED
Unaudited Financial Statements
For the financial year ended 30 June 2022
Pages for filing with the registrar

CRIMSON GUITARS LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

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CRIMSON GUITARS LIMITED
COMPANY INFORMATION
For the financial year ended 30 June 2022

DIRECTORS

B Crowe
T Webster

REGISTERED OFFICE

The Old Dairy
Piddlehinton
Dorchester
DT2 7TH
United Kingdom

COMPANY NUMBER

08479886 (England and Wales)

CHARTERED ACCOUNTANTS

Albert Goodman LLP
3 Filers Way
Weston Gateway Business Park
Weston-super-Mare
Somerset
BS24 7JP

CRIMSON GUITARS LIMITED
BALANCE SHEET
As at 30 June 2022

| | Note | 2022 £ | 2021 £ |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | 3 | 2,862 | 3,296 |
| Tangible assets | 4 | 91,976 | 100,500 |
| | | 94,838 | 103,796 |
| Current assets | | | |
| Stocks | | 135,062 | 65,500 |
| Debtors | 5 | 21,456 | 51,609 |
| Cash at bank and in hand | | 41,032 | 58,292 |
| | | 197,550 | 175,401 |
| Creditors: amounts falling due within one year | 6 | (200,752) | (152,726) |
| Net current (liabilities)/assets | | (3,202) | 22,675 |
| Total assets less current liabilities | | 91,636 | 126,471 |
| Creditors: amounts falling due after more than one year | 7 | (72,358) | (56,867) |
| Provision for liabilities | | (19,181) | (19,721) |
| Net assets | | 97 | 49,883 |
| Capital and reserves | | | |
| Called-up share capital | | 200 | 200 |
| Profit and loss account | | (103) | 49,683 |
| Total shareholders' funds | | 97 | 49,883 |

For the financial year ending 30 June 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Crimson Guitars Limited (registered number: 08479886) were approved and authorised for issue by the Board of Directors on 30 June 2023. They were signed on its behalf by:

T Webster
Director

CRIMSON GUITARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Crimson Guitars Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is The Old Dairy, Piddlehinton, Dorchester, DT2 7TH, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

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.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

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Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Tax is recognised in the profit and loss account, 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.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

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. Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

| | |
|-------------------|-----------------------|
| Computer software | 5 years straight line |
|-------------------|-----------------------|

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

| | |
|---------------------|-----------------------|
| Land and buildings | 6 years straight line |
| Plant and machinery | 5 years straight line |
| Vehicles | 5 years straight line |
| Computer equipment | 3 years straight line |

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

CRIMSON GUITARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Borrowing costs

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.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

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.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. 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.

CRIMSON GUITARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

| | 2022 | 2021 |
|--|---------------|---------------|
| | Number | Number |
| Monthly average number of persons employed by the Company during the year, including directors | 21 | 22 |

3. Intangible assets

| | Computer software | Total |
|---------------------------------|--------------------------|--------------|
| | £ | £ |
| Cost | | |
| At 01 July 2021 | 4,120 | 4,120 |
| Additions | 650 | 650 |
| At 30 June 2022 | 4,770 | 4,770 |
| Accumulated amortisation | | |
| At 01 July 2021 | 824 | 824 |
| Charge for the financial year | 1,084 | 1,084 |
| At 30 June 2022 | 1,908 | 1,908 |
| Net book value | | |
| At 30 June 2022 | 2,862 | 2,862 |
| At 30 June 2021 | 3,296 | 3,296 |

CRIMSON GUITARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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4. Tangible assets

| | Land and buildings | Plant and machinery | Vehicles | Computer equipment | Total |
|-------------------------------------|-------------------------------|--------------------------------|-----------------|-------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 01 July 2021 | 27,950 | 95,931 | 31,700 | 11,786 | 167,367 |
| Additions | 2,380 | 16,120 | 0 | 1,224 | 19,724 |
| At 30 June 2022 | 30,330 | 112,051 | 31,700 | 13,010 | 187,091 |
| Accumulated depreciation | | | | | |
| At 01 July 2021 | 5,343 | 51,829 | 3,302 | 6,393 | 66,867 |
| Charge for the financial year | 6,393 | 12,947 | 5,679 | 3,229 | 28,248 |
| At 30 June 2022 | 11,736 | 64,776 | 8,981 | 9,622 | 95,115 |
| Net book value | | | | | |
| At 30 June 2022 | 18,594 | 47,275 | 22,719 | 3,388 | 91,976 |
| At 30 June 2021 | 22,607 | 44,102 | 28,398 | 5,393 | 100,500 |

5. Debtors

| | 2022 | 2021 |
|---------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 5,392 | 16,757 |
| Other debtors | 16,064 | 34,852 |
| | 21,456 | 51,609 |

6. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Bank loans | 13,750 | 10,077 |
| Trade creditors | 17,429 | 19,528 |
| Corporation tax | 2,886 | 5,172 |
| Other taxation and social security | 17,208 | 19,440 |
| Obligations under finance leases and hire purchase contracts | 6,665 | 6,665 |
| Other creditors | 142,814 | 91,844 |
| | 200,752 | 152,726 |

CRIMSON GUITARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2022

7. Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Bank loans | 61,250 | 39,094 |
| Obligations under finance leases and hire purchase contracts | 11,108 | 17,773 |
| | 72,358 | 56,867 |

There are no amounts included above in respect of which any security has been given by the small entity.

8. Related party transactions

Transactions with the entity's directors

The Directors loan account is repayable on demand and interest is charged on overdrawn balances exceeding £10,000 at the official HMRC rates.

At 1 July 2021, the balance owed by Mr B Crowe was £16,609. During the year, £7,019 was advanced to the director, and £21,560 was repaid by the director. At 30 June 2022, the balance owed by the director was £2,068.

At 1 July 2021, the balance owed by Mr T Webster was £16,625. During the year, £6,559 was advanced to the director, and £16,700 was repaid by the director. At 30 June 2022, the balance owed by the director was £6,484.

At 1 July 2020, the balance owed to Mr B Crowe was £1,167. During the year, £35,616 was advanced to the director, and £17,840 was repaid by the director. At 30 June 2021, the balance owed to the director was £16,609.

At 1 July 2020, the balance owed to Mr T Webster was £40. During the year, £37,165 was advanced to the director, and £20,500 was repaid by the director. At 30 June 2021, the balance owed by the director was £16,625.

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.