

COMPANY REGISTRATION NUMBER: 8601042

**AC Davies Coal Limited**

**Filleted Unaudited Financial Statements**

**30 May 2021**

# **AC Davies Coal Limited**

## **Financial Statements**

**Year ended 30 May 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	6	17,958	23,945
<b>Current assets</b>			
Stocks		140,000	101,500
Debtors	7	152,259	137,653
Cash at bank and in hand		10,075	31,760
		302,334	270,913
<b>Creditors: amounts falling due within one year</b>	8	( 180,779)	( 135,734)
<b>Net current assets</b>		121,555	135,179
<b>Total assets less current liabilities</b>		139,513	159,124
<b>Creditors: amounts falling due after more than one year</b>	9	( 109,222)	( 146,194)
<b>Provisions</b>			
Taxation including deferred tax	10	( 2,466)	( 3,396)
<b>Net assets</b>		27,825	9,534
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account		27,824	9,533
<b>Shareholders funds</b>		27,825	9,534

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 30 May 2021 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 financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **AC Davies Coal Limited**

## **Statement of Financial Position** *(continued)*

**30 May 2021**

These financial statements were approved by the board of directors and authorised for issue on 24 February 2022 , and are signed on behalf of the board by:

Mr J Davies

Director

Company registration number: 8601042

# **AC Davies Coal Limited**

## **Notes to the Financial Statements**

**Year ended 30 May 2021**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hamilton House, Hamilton Terrace, Milford Haven, Pembrokeshire, SA73 3JP.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason, the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

## Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

## Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2020: 6 ).

### 5. Tax on profit/(loss)

#### Major components of tax expense/(income)

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax expense/(income)	<b>12,023</b>	( 4,765)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>( 930)</b>	3,900
<b>Tax on profit/(loss)</b>	<b>11,093</b>	( 865)

### 6. Tangible assets

	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>			
<b>At 31 May 2020 and 30 May 2021</b>	<b>7,517</b>	<b>43,585</b>	<b>51,102</b>
<b>Depreciation</b>			
At 31 May 2020	6,458	20,699	<b>27,157</b>
Charge for the year	265	5,722	<b>5,987</b>
<b>At 30 May 2021</b>	<b>6,723</b>	<b>26,421</b>	<b>33,144</b>
<b>Carrying amount</b>			
<b>At 30 May 2021</b>	<b>794</b>	<b>17,164</b>	<b>17,958</b>
At 30 May 2020	1,059	22,886	23,945

## 7. Debtors

	2021	2020
	£	£
Trade debtors	28,000	35,500
Other debtors	124,259	102,153
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	152,259	137,653
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Other debtors include an amount of £nil (2020 - £nil) falling due after more than one year.

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

	2021	2020
	£	£
Bank loans and overdrafts (secured)	15,158	—
Trade creditors	95,453	81,669
Corporation tax	12,023	5,866
Social security and other taxes	1,555	994
Other loans (secured)	30,565	27,599
Hire purchase agreements (secured)	5,341	4,827
Other creditors	20,684	14,779
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	180,779	135,734
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Finance Wales Investments (6) Ltd, Finance Wales Investments (10) Ltd, Barclays Bank Plc and Alfandari Private Equities Limited hold fixed and floating charges over the assets of the company.

## 9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts (secured)	20,205	25,000
Other loans (secured)	74,711	101,546
Hire purchase agreements (secured)	14,306	19,648
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	109,222	146,194
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Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £4,167) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

## 10. Provisions

	Deferred tax (note 11) £
At 31 May 2020	3,396
Charge against provision	( 930)
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At 30 May 2021	2,466
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## 11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 10)	2,466	3,396
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The deferred tax account consists of the tax effect of timing differences in respect of:

2021	2020
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£  
**2,466**  
-----

£  
3,396  
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Accelerated capital allowances

## 12. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	36,872	21,655
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## 13. Called up share capital

### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	1	1	1	1
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## 14. Related party transactions

The company was under the control of Mr J Davies throughout the current and previous period. Mr J Davies is the managing director and sole shareholder. During the year the company paid dividends totalling £29,000 (2020 - £6,400) to Mr J Davies , the managing director.

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.