

Company registration number SC106486 (Scotland)

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

PAGES FOR FILING WITH REGISTRAR

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

CONTENTS

	Page
Statement of financial position	1 - 2
Notes to the financial statements	3 - 7

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	3		355,594		1,034,338
Current assets					
Stocks		520,043		529,560	
Debtors	4	50,664		14,949	
Cash at bank and in hand		9,641		2,059	
		<u>580,348</u>		<u>546,568</u>	
Creditors: amounts falling due within one year	5	<u>(1,112,455)</u>		<u>(1,283,796)</u>	
Net current liabilities			<u>(532,107)</u>		<u>(737,228)</u>
Total assets less current liabilities			<u>(176,513)</u>		<u>297,110</u>
Creditors: amounts falling due after more than one year	6		(30,000)		(158,940)
Provisions for liabilities			<u>(8,813)</u>		<u>(8,813)</u>
Net (liabilities)/assets			<u><u>(215,326)</u></u>		<u><u>129,357</u></u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			<u>(216,326)</u>		<u>128,357</u>
Total equity			<u><u>(215,326)</u></u>		<u><u>129,357</u></u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

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

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MAY 2022

The financial statements were approved and signed by the director and authorised for issue on 28 February 2023

P H Young
Director

Company Registration No. SC106486

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

Charles Phillips & Sons (of Edinburgh) Ltd is a private company limited by shares incorporated in Scotland. The registered office is Drummole House, North Berwick Road, Musselburgh, Midlothian, United Kingdom, EH21 8JT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The director acknowledges the net current liability position at the year end. Having considered all relevant information and with the continued support of both the bank and the shareholders, the director is therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The assessment of going concern includes the expected impact of COVID-19 on the entity in the 12 months following the signing of these financial statements.

1.3 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. Turnover represents the sale of art, gemstones and other chattels to individuals and is recognised when the rights and rewards of ownership are transferred to the customer.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Fixtures and fittings	15% straight line
Motor vehicles	25% straight line

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.7 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 current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	7	7

3 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 June 2021	1,313,008	458,746	245,914	2,017,668
Additions	-	1,261	-	1,261
Disposals	(653,657)	(23,452)	-	(677,109)
At 31 May 2022	659,351	436,555	245,914	1,341,820
Depreciation and impairment				
At 1 June 2021	331,646	416,023	235,661	983,330
Depreciation charged in the year	9,517	11,152	5,349	26,018
Eliminated in respect of disposals	-	(23,122)	-	(23,122)
At 31 May 2022	341,163	404,053	241,010	986,226
Carrying amount				
At 31 May 2022	318,188	32,502	4,904	355,594
At 31 May 2021	981,362	42,723	10,253	1,034,338

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	36,233	-
Other debtors	14,431	14,949
	50,664	14,949

CHARLES PHILLIPS & SONS (OF EDINBURGH) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	10,000	181,862
Hire purchase	2,401	6,366
Pension creditor	232	531
Trade creditors	338,502	405,615
Corporation tax	34,496	28,842
Other taxation and social security	50,859	136,954
Other creditors	666,407	512,585
Accruals and deferred income	9,558	11,041
	<u>1,112,455</u>	<u>1,283,796</u>

Included within creditors due within one year are secured creditors of £nil (2021: £50,369) being bank loans, and £2,401 (2021: £6,366) being amounts due on hire purchase.

Included within bank loans and overdrafts is £10,000 (2021: £10,000) secured by a guarantee from the UK Government under the Coronavirus Business Interruption Loan Scheme/Bounce Back Loan Scheme.

6 Creditors: amounts falling due after more than one year

Notes	2022 £	2021 £
Bank loans	30,000	156,539
Hire purchase	-	2,401
	<u>30,000</u>	<u>158,940</u>

Included in bank loans above are secured loan amounting to £nil (2021: £116,540). These loans are secured by a standard security charge over the Holyrood Road property.

Included in bank loans is £30,000 (2021: £40,000) secured by a guarantee from the UK Government under the Coronavirus Business Interruption Loan Scheme/Bounce Back Loan Scheme.

The hire purchase liabilities are secured on the assets to which the agreement relates. The total hire purchase liabilities above is £nil (2021: £2,401).

7 Retirement benefit schemes

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,950 (2021: £3,105). Contributions totalling £232 (2021: £531) were payable to the fund at the Statement of Financial Position date and are included in creditors.

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.