

# ER East & Son Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2020

King Morte Proud & Co Limited  
Chartered Accountants  
Kings Arms Vaults  
Watton  
Brecon  
Powys  
LD3 7EF

# ER East & Son Ltd

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## **ER East & Son Ltd**

### **Company Information**

<b>Directors</b>	Mr D East Mrs Marlene Susan Huxley
<b>Company secretary</b>	Mrs Marlene Susan Huxley
<b>Registered office</b>	Kings Arms Vaults Watton Brecon Powys LD3 7EF
<b>Accountants</b>	King Morte Proud & Co Limited Chartered Accountants Kings Arms Vaults Watton Brecon Powys LD3 7EF

# ER East & Son Ltd

## (Registration number: 2766709) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	154,013	151,236
<b>Current assets</b>			
Stocks	<u>5</u>	21,500	21,500
Debtors	<u>6</u>	15,716	43,895
Cash at bank and in hand		75,079	4,343
		112,295	69,738
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(104,097)	(96,767)
<b>Net current assets/(liabilities)</b>		8,198	(27,029)
<b>Total assets less current liabilities</b>		162,211	124,207
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(143,886)	(118,900)
<b>Net assets</b>		<u>18,325</u>	<u>5,307</u>
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	5,000	5,000
Profit and loss account		13,325	307
Shareholders' funds		<u>18,325</u>	<u>5,307</u>

For the financial year ending 31 December 2020 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their 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 Board on 17 November 2021 and signed on its behalf by:

**ER East & Son Ltd**

**(Registration number: 2766709)**  
**Balance Sheet as at 31 December 2020**

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Mrs Marlene Susan Huxley  
Company secretary and director

# **ER East & Son Ltd**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Kings Arms Vaults  
Watton  
Brecon  
Powys  
LD3 7EF

These financial statements were authorised for issue by the Board on 17 November 2021.

### **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.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

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 for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current 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.

## ER East & Son Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

#### Tangible assets

Tangible assets are stated in the balance sheet 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.

#### 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
Land & buildings freehold	nil
Buildings leasehold	20% per annum on cost
Plant & machinery	10% reducing balance basis
Motor vehicles	10% reducing balance basis

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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.

## **ER East & Son Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **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 and subsequently measured at amortised cost using the effective interest method.

#### **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.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.



## **ER East & Son Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 9 (2019 - 5).

## ER East & Son Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

#### 4 Tangible assets

	Land and buildings £	Long leasehold land and buildings £	Properties under construction £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2020	110,000	5,450	53	135,002	87,239	337,744
Additions	-	-	-	7,607	-	7,607
At 31 December 2020	110,000	5,450	53	142,609	87,239	345,351
<b>Depreciation</b>						
At 1 January 2020	-	5,450	-	117,302	63,703	186,455
Charge for the year	-	-	-	2,530	2,353	4,883
At 31 December 2020	-	5,450	-	119,832	66,056	191,338
<b>Carrying amount</b>						
At 31 December 2020	110,000	-	53	22,777	21,183	154,013
At 31 December 2019	110,000	-	-	17,700	23,536	151,236

Included within the net book value of land and buildings above is £110,000 (2019 - £110,000) in respect of freehold land and buildings and £Nil (2019 - £Nil) in respect of long leasehold land and buildings.

## ER East & Son Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

#### 5 Stocks

	2020 £	2019 £
Raw materials and consumables	21,500	21,500

#### 6 Debtors

	2020 £	2019 £
Trade debtors	14,708	1
Other debtors	1,008	43,894
	15,716	43,895

# ER East & Son Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

### 7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>9</u>	8,354	8,469
Trade creditors		77,629	80,670
Taxation and social security		4,208	6,976
Other creditors		13,906	652
		<u>104,097</u>	<u>96,767</u>

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<u>9</u>	<u>143,886</u>	<u>118,900</u>

### 8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	5,000	5,000	5,000	5,000
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

### 9 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	143,886	111,956
Hire purchase contracts	-	6,944
	<u>143,886</u>	<u>118,900</u>

## ER East & Son Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

	2020	2019
	£	£
<b>Current loans and borrowings</b>		
Hire purchase contracts	8,354	8,469

#### 10 Dividends

	2020	2019
	£	£
Interim dividend of £3,850 (2019 - £7,000)	3,850	7,000

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.