

Penn Commercials Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2021

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Penn Commercials Limited

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Penn Commercials Limited

Company Information

Directors Mr P B Taylor
Mr S P Taylor

Company secretary Mrs L Taylor

Registered office Direct 2 Industrial Park
Roway Lane
Oldbury
West Midlands
B69 3ES

Accountants Ballards LLP
Chartered Accountants
Oakmoore Court
11C Kingswood Road
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Penn Commercials Limited

**(Registration number: 02097708)
Balance Sheet as at 31 May 2021**

	Note	2021 £	2020 £ (As restated)
Fixed assets			
Tangible assets	<u>4</u>	775,408	797,577
Current assets			
Stocks	<u>5</u>	46,667	16,729
Debtors	<u>6</u>	73,792	265,190
Cash at bank and in hand		83,633	107,615
		204,092	389,534
Creditors: Amounts falling due within one year	<u>7</u>	(514,878)	(653,139)
Net current liabilities		(310,786)	(263,605)
Total assets less current liabilities		464,622	533,972
Creditors: Amounts falling due after more than one year	<u>7</u>	(94,864)	(130,775)
Provisions for liabilities		-	(3,203)
Net assets		369,758	399,994
Capital and reserves			
Called up share capital		40	40
Capital redemption reserve		80	80
Profit and loss account		369,638	399,874
Shareholders' funds		369,758	399,994

For the financial year ending 31 May 2021 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 3 December 2021 and signed on its behalf by:

Penn Commercials Limited

(Registration number: 02097708)

Balance Sheet as at 31 May 2021

.....
Mr P B Taylor
Director

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

1 General information

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

The address of its registered office is:

Direct 2 Industrial Park
Roway Lane
Oldbury
West Midlands
B69 3ES

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 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.

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

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
Freehold property	2% Straight line
Plant and machinery	33% Reducing balance
Motor vehicles	25% Reducing balance
Fixtures and fittings	33% Reducing balance

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.

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

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.

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

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 13 (2020 - 13).

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 2020	935,157	374,873	41,817	1,351,847
Additions	-	391	-	391
At 31 May 2021	935,157	375,264	41,817	1,352,238
Depreciation				
At 1 June 2020	178,581	359,810	15,879	554,270
Charge for the year	11,953	4,122	6,485	22,560
At 31 May 2021	190,534	363,932	22,364	576,830
Carrying amount				
At 31 May 2021	744,623	11,332	19,453	775,408
At 31 May 2020	756,576	15,063	25,938	797,577

Included within the net book value of land and buildings above is £744,622 (2020 - £756,575) in respect of freehold land and buildings.

5 Stocks

	2021 £	2020 £
Other inventories	46,667	16,729

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

6 Debtors

	2021	2020
	£	£
Trade debtors	62,500	235,198
Other debtors	11,292	29,992
Total current trade and other debtors	<u>73,792</u>	<u>265,190</u>

Penn Commercials Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

7 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £ (As restated)
Due within one year			
Bank loans and overdrafts	<u>8</u>	204,619	227,414
Trade creditors		140,993	169,874
Amounts owed to related parties		36,115	68,478
Taxation and social security		63,439	80,891
Other creditors		69,712	106,482
		<u>514,878</u>	<u>653,139</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>8</u>	<u>94,864</u>	<u>130,775</u>

8 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Hire purchase contracts	17,989	23,150
Other borrowings	76,875	107,625
	<u>94,864</u>	<u>130,775</u>

	2021 £	2020 £
Current loans and borrowings		
Bank overdrafts	169,609	192,943
Hire purchase contracts	4,260	3,721
Other borrowings	30,750	30,750
	<u>204,619</u>	<u>227,414</u>

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.