Registered number: 04436021

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2021

Bishop Fleming

COUNTY BUILDING SUPPLIES (CHELTENHAM) LIMITED
REGISTERED NUMBER:04436021

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	5		**301,730**		216,733
			301,730		216,733
Current assets					
Stocks	6	**520,476**		463,874	
Debtors: amounts falling due within one year	7	**1,110,791**		867,826	
Cash at bank and in hand	8	**285,858**		542,647	
		1,917,125		1,874,347	
Creditors: amounts falling due within one year	9	**(2,425,532)**		(2,256,309)	
Net current liabilities			**(508,407)**		(381,962)
Total assets less current liabilities			**(206,677)**		(165,229)
Creditors: amounts falling due after more than one year	10		**(141,972)**		(95,554)
Provisions for liabilities					
Deferred tax	13	**(41,797)**		(18,699)	
Net liabilities			**(390,446)**		(279,482)
Capital and reserves					
Called up share capital	14		**100**		100
Profit and loss account			**(390,546)**		(279,582)
			(390,446)		(279,482)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M A Rees
Director

Date: 28 February 2022

The notes on pages 2 to 11 form part of these financial statements.

1. GENERAL INFORMATION

County Building Supplies (Cheltenham) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 52a St. Andrews Road, Malvern, Worcestershire, WR14 3PP.

The principal activity of the company during the year was the sale of building supplies.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The directors have considered the impact of COVID-19 on going concern and the potential with cases rising and the impact this may have on trading activity over the winter. They have concluded that if restrictions were reintroduced the company would be able to continue to operate without significant changes to its financial position. They have concluded that the going concern basis is still appropriate and there is no material uncertainty over the company not being able to trade in the next 12 months. Post year end sales are in line with expectations and consistent with the previous years and cash at the year end is high. The company was in a net liability position at the year end and had negative reserves and so will continue to be supported by County Building Supplies (Holdings) Limited, the parent company, and other fellow subsidiaries where required.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. ACCOUNTING POLICIES (continued)

2.5 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. ACCOUNTING POLICIES (continued)

2.9 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and on a reducing balance method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (continued)

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Income taxes

The Company is subject to the income tax laws of the United Kingdom. These laws are complex and subject to different interpretations by taxpayers and tax authorities. When establishing income tax provisions, the directors make a number of judgements and interpretations about the application and interaction of these laws. Changes in these tax laws or in their interpretation could affect the Company's effective tax rate and the results of operations in a given period. Accordingly, potentially significant tax benefits will not be recognised until there is sufficient certainty that they will be accepted by HMRC.

Stock Provision

There is a risk that the Company will incur costs in relation to obsolete or damaged stock. Management consider the age of the stock and the levels of write offs and use this along with other current information to estimate the cost of this and make a provision accordingly.

Rebates

There is a risk that the Company will not recognise the rebates received in the correct period. Management consider the supplier activity and use this along with other current information to recognise rebates in the correct accounting period.

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 32 (2020: 30).

5. TANGIBLE FIXED ASSETS

	Leasehold improvements	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 July 2020	**66,895**	**32,816**	**391,667**	**76,622**	**568,000**
Additions	**8,268**	**-**	**146,108**	**16,710**	**171,086**
Disposals	-	-	**(44,001)**	-	**(44,001)**
At 30 June 2021	**75,163**	**32,816**	**493,774**	**93,332**	**695,085**
DEPRECIATION					
At 1 July 2020	**10,292**	**12,113**	**286,280**	**42,582**	**351,267**
Charge for the year on owned assets	**5,463**	**484**	**4,500**	**3,192**	**13,639**
Charge for the year on financed assets	**-**	**3,656**	**61,459**	**5,844**	**70,959**
Disposals	**-**	**-**	**(42,510)**	**-**	**(42,510)**
At 30 June 2021	**15,755**	**16,253**	**309,729**	**51,618**	**393,355**
NET BOOK VALUE					
At 30 June 2021	**59,408**	**16,563**	**184,045**	**41,714**	**301,730**
At 30 June 2020	56,603	20,703	105,387	34,040	216,733

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Plant and machinery	**29,088**	36,360
Motor vehicles	**189,527**	104,969
	218,615	141,329

6. STOCKS

	2021	2020
	£	£
Finished goods and goods for resale	**520,476**	463,874

7. DEBTORS

	2021	2020
	£	£
Trade debtors	**960,594**	703,119
Amounts owed by group undertakings	**19,009**	12,392
Other debtors	**121,531**	84,648
Prepayments and accrued income	**9,657**	67,667
	1,110,791	867,826

8. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	**285,858**	542,647
	285,858	542,647

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	**1,124,594**	978,233
Amounts owed to group undertakings	**573,405**	839,522
Other taxation and social security	**90,549**	78,079
Obligations under finance lease and hire purchase contracts	**84,184**	69,167
Other creditors	**507,081**	255,597
Accruals and deferred income	**45,719**	35,711
	2,425,532	2,256,309

Other creditors includes £507,081 (2020: £255,097) in respect of advances under an invoice discounting arrangement which is secured by a fixed and floating charge over all book and other debts of the company.

The obligations under finance leases are secured by fixed charges over the assets which they relate to.

The loans and overdrafts are secured by a first legal charge over the company freehold property and an unlimited debenture incorporating a fixed and floating charge over the assets of the company.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Net obligations under finance leases and hire purchase contracts	**141,972**	95,554
	141,972	95,554

The obligations under finance leases are secured by fixed charges over the assets which they relate to.

11. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Within one year	**84,184**	69,167
Between 1-5 years	**141,972**	95,554
	226,156	164,721

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are place on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

12. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	**285,858**	542,647

Financial assets measured at fair value through profit or loss comprise of cash at bank.

13. DEFERRED TAXATION

	2021 £
At beginning of year	**(18,699)**
Charged to profit or loss	**(23,098)**
AT END OF YEAR	**(41,797)**

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	**(41,797)**	(18,699)
	(41,797)	(18,699)

14. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2020: 100) Ordinary Shares shares of £1.00 each	**100**	100

15. PENSION COMMITMENTS

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 £44,375 (2020: £42,675) . Contributions totalling £6,728 (2020: £3,546) were payable to the fund at the reporting date and are included in creditors.

16. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	**197,942**	112,077
Later than 1 year and not later than 5 years	**756,068**	186,837
Later than 5 years	**786,998**	219,868
	1,741,008	518,782

17. TRANSACTIONS WITH DIRECTORS

Included in Other Debtors due within one year are the following amounts due from directors:

G Lloyd £731 (2020: £1,183)

II Stacey £305 (2020: £385)

These amounts are unsecured, interest free and repayable on demand.

Included in turnover for the year are the following transactions with directors:

G Lloyd £2,942 with £3,394 being repaid in the year and credit notes of £Nil raised

II Stacey £552 with £634 being repaid in the year and credit notes of £Nil raised

18. RELATED PARTY TRANSACTIONS

	2021	2020
	£	£
Purchase transactions with group companies	**302,707**	238,170
Sales transactions with group companies	**127,266**	134,224
Balances due from group companies	**8,509**	11,343
Balances due to group companies	**593,368**	861,533
Overheads recharged from group companies	**98,848**	53,245
Overheads recharged to group companies	**-**	11,824
Management charge paid to group companies	**131,710**	105,940

19. CONTROLLING PARTY

The ultimate parent company is County Building Supplies (Holdings) Limited.

20. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 30 June 2021 was unqualified.

The audit report was signed on 8 March 2022 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

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.