

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2022

SUTHERLAND TRADING
COMPANY LIMITED

MENZIES

SUTHERLAND TRADING COMPANY LIMITED

COMPANY INFORMATION

Director	Mr G D Jones
Registered number	04112976
Registered office	Suite A, 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ
Trading Address	Unit 3 Greenway Bedwas Industrial Estate CF83 8XQ
Accountants	Menzies LLP Chartered Accountants Centrum House 36 Station Road Egham Surrey TW20 9LF

SUTHERLAND TRADING COMPANY LIMITED

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SUTHERLAND TRADING COMPANY LIMITED

REGISTERED NUMBER:04112976

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	9,951	654,842
Investments	5	100	100
		<u>10,051</u>	<u>654,942</u>
Current assets			
Stocks		899,585	880,328
Debtors: amounts falling due within one year	6	331,641	309,007
Cash at bank and in hand		223,933	472,797
		<u>1,455,159</u>	<u>1,662,132</u>
Creditors: amounts falling due within one year	7	(280,150)	(534,982)
Net current assets		<u>1,175,009</u>	<u>1,127,150</u>
Total assets less current liabilities		<u>1,185,060</u>	<u>1,782,092</u>
Creditors: amounts falling due after more than one year	8	(235)	(152,466)
Net assets		<u><u>1,184,825</u></u>	<u><u>1,629,626</u></u>
Capital and reserves			
Called up share capital		56,467	56,467
Capital redemption reserve		14,117	-
Profit and loss account		1,114,241	1,573,159
		<u><u>1,184,825</u></u>	<u><u>1,629,626</u></u>

SUTHERLAND TRADING COMPANY LIMITED

REGISTERED NUMBER:04112976

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2022

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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

The company has opted not to file the statement of income and retained earnings 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:

Mr G D Jones

Director

Date: 16 March 2023

The notes on pages 3 to 9 form part of these financial statements.

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

1. General information

Sutherland Trading Company Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office and trading address are provided in the company information page of these financial statements.

These financial statements represent a period of 15 months to 30 June 2022, and are therefore not directly comparable with the previous financials.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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 Turnover

Turnover 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. Turnover is generated via the import and wholesale selling of musical instrumentals and accessories, and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.3 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.4 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 Income and Retained Earnings in the same period as the related expenditure.

2.5 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.

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the period 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 reporting 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.

2.7 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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 basis.

Depreciation is provided on the following basis:

Freehold property	- 1% straight line on original cost
Other fixed assets	- 20% reducing balance
Motor vehicles	- 25% straight line

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.

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Income and Retained Earnings unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 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 reporting 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.

3. Employees

The average monthly number of employees, including directors, during the period was 15 (2021 - 19).

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

4. Tangible fixed assets

	Freehold property £	Other fixed assets £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2021	716,794	97,686	49,899	864,379
Disposals	(716,794)	-	(27,290)	(744,084)
At 30 June 2022	-	97,686	22,609	120,295
Depreciation				
At 1 July 2021	92,482	84,242	32,813	209,537
Charge for the period on owned assets	-	3,493	2,198	5,691
Disposals	(92,482)	-	(12,402)	(104,884)
At 30 June 2022	-	87,735	22,609	110,344
Net book value				
At 30 June 2022	-	9,951	-	9,951
At 30 June 2021	624,312	13,444	17,086	654,842

Included within the net book value of £9,951 is £Nil (2021: £2,200) relating to assets held under hire purchase agreements. The depreciation charge to the profit and loss account in the year in respect of such assets amounted to £2,200 (2021: £5,549).

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	100
At 30 June 2022	100

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

6. Debtors

	2022 £	2021 £
Trade debtors	233,369	211,523
Amounts owed by group undertakings	2,797	15,814
Other debtors	2,639	13,402
Prepayments and accrued income	7,336	20,849
Deferred taxation	85,500	47,419
	<u>331,641</u>	<u>309,007</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	-	52,784
Bank loans	-	55,843
Trade creditors	72,647	229,912
Amounts owed to group undertakings	100	100
Other taxation and social security	40,283	7,832
Other creditors	147,994	151,768
Accruals and deferred income	19,126	36,743
	<u>280,150</u>	<u>534,982</u>

Secured Loans

The bank loans and mortgages are secured by way of a debenture and legal mortgage over the company's relevant

freehold property and a fixed and floating charge over other company assets. Additionally, some of the bank loans are secured by way of government guarantee under the Bounce Back Loan Scheme.

Interest is applied on these borrowings at a market rate.

Included in other creditors is £146,262 (2021: £144,499) relating to monies advanced under an invoice discounting

agreement entered into in September 2001, which is secured on the company's trade debtors.

The hire purchase agreements are secured on the underlying assets.

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

8. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	-	138,114
Share capital treated as debt	235	14,352
	<u>235</u>	<u>152,466</u>

The bank loan and mortgages are secured by way of a debenture and legal mortgage over the company's relevant

freehold property and a fixed and floating charge over other company assets. Additionally, some of the bank loans are secured by way of government guarantee under the Bounce Back Loan Scheme.

Interest is applied on these borrowings at a market rate.

9. Deferred taxation

	2022
	£
At beginning of year	47,419
Charged to profit or loss	38,081
At end of year	<u>85,500</u>

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Tax losses carried forward	85,500	47,419
	<u>85,500</u>	<u>47,419</u>

SUTHERLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

10. Directors loan account

Included within other debtors are the following advances and credits to directors which subsisted during the years.

	2022	2021
Director	£	£
Balance outstanding at start of year	(4,633)	(5,134)
Amounts advanced	75,888	2,501
Amounts repaid	(70,000)	(2,000)
Balance outstanding at end of year	<u>1,255</u>	<u>(4,633)</u>

Interest is not being charged on this loan. The loan is repayable on demand.

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.