

Company Registration No. SC370069 (Scotland)

I & S SMITH NEWSAGENTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021
PAGES FOR FILING WITH REGISTRAR

I & S SMITH NEWSAGENTS LIMITED

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I & S SMITH NEWSAGENTS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		46,183		56,273
Investment properties	4		59,000		59,000
			<u>105,183</u>		<u>115,273</u>
Current assets					
Stocks		44,106		40,112	
Debtors	5	20,319		13,292	
Cash at bank and in hand		56,920		29,023	
		<u>121,345</u>		<u>82,427</u>	
Creditors: amounts falling due within one year	6	(201,014)		(177,800)	
Net current liabilities			(79,669)		(95,373)
Total assets less current liabilities			25,514		19,900
Creditors: amounts falling due after more than one year	7		(91,273)		(115,950)
Net liabilities			<u>(65,759)</u>		<u>(96,050)</u>
Capital and reserves					
Called up share capital	8		100		100
Revaluation reserve			7,513		7,513
Profit and loss reserves			(73,372)		(103,663)
Total equity			<u>(65,759)</u>		<u>(96,050)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 January 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their 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.

I & S SMITH NEWSAGENTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2021

The financial statements were approved by the board of directors and authorised for issue on 8 September 2021 and are signed on its behalf by:

Mr I C Smith
Director

Company Registration No. SC370069

I & S SMITH NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

Company information

I & S Smith Newsagents Limited is a private company limited by shares incorporated in Scotland. The registered office is Axis Business Centre, Thainstone, INVERURIE, AB51 5TB. The principal place of business is 31 Main Street, Turriff, AB53 4AB.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has made a profit before tax for the year ended 31 January 2021 (2020 – loss before tax). The company has net liabilities of £65,759 (2020 - £96,050) at the balance sheet date. The company operates a loan account with the director and included within current liabilities is an amount due to the directors of £140,663 (2020 - £140,663).

The directors, who own 100% of the issued share capital of the company, have provided a letter confirming that they will not seek repayment of their directors loan account at the expense of other creditors for a period of at least twelve months. The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing these financial statements.

In arriving at this conclusion, the directors have considered the impact of COVID-19 on the company and do not consider it to have had a detrimental impact on their business.

1.3 Turnover

Turnover represents amounts receivable for goods sold and services rendered through the newsagent and convenience store, exclusive of value added tax. Turnover is recognised on an accruals basis.

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:

Leasehold improvements	20% reducing balance
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	25% reducing balance

I & S SMITH NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

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 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the loss is recognised in profit and loss.

1.7 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.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. The impairment loss (if any) is recognised in profit or loss.

I & S SMITH NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

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 and bank loans 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.

1.10 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.

1.11 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 profit and loss account 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 profit and loss account, 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 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.

2 Employees

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

	2021 Number	2020 Number
Total	12	12

I & S SMITH NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2020 and 31 January 2021	33,789	130,804	164,593
Depreciation and impairment			
At 1 February 2020	24,460	83,860	108,320
Depreciation charged in the year	1,866	8,224	10,090
At 31 January 2021	26,326	92,084	118,410
Carrying amount			
At 31 January 2021	7,463	38,720	46,183
At 31 January 2020	9,329	46,944	56,273

4 Investment property

	2021 £
Fair value	
At 1 February 2020 and 31 January 2021	59,000

The investment property comprises shop premises in Turriff, Aberdeenshire. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 January 2021 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

On a historical cost basis, this property would have been included at a cost of £59,000 (2020 - £59,000).

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	18,014	11,687
Corporation tax recoverable	2,305	1,605
	20,319	13,292

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	14,250	-
Trade creditors	38,228	24,207
Corporation tax	819	-
Other taxation and social security	1,610	3,001
Other creditors	146,107	150,592
	<u>201,014</u>	<u>177,800</u>

The bank loan is secured by a fixed charge over the company's investment property and a floating charge over the company's assets.

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	<u>91,273</u>	<u>115,950</u>

The bank loan is secured by a fixed charge over the company's investment property and a floating charge over the company's assets.

8 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	<u>194,400</u>	<u>208,800</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

10 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due to related parties	£	£
Key management personnel	140,663	140,663
	<u> </u>	<u> </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.