

Registration number: NI054740

# **William Clark & Sons Limited**

## **Annual Report and Unaudited Financial Statements**

For the year ended 30 November 2020

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# William Clark & Sons Limited

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# William Clark & Sons Limited

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## Company Information

**Directors**            T G Clark  
                             K Devlin  
                             P F Callan  
                             D F Neil  
                             J A Batho

**Company  
secretary**            R I Clark

**Registration  
number**            NI054740

**Bankers**            HSBC Bank PLC  
                             4 Hardman Square  
                             Spinningfields  
                             Manchester  
                             M3 3EB

**Solicitors**            Johns Elliot  
                             40 Linenhall Street  
                             Belfast  
                             BT2 8BA

**Registered office**    Upperlands  
                             Maghera  
                             Co Londonderry  
                             Northern Ireland  
                             BT46 5RZ

# William Clark & Sons Limited

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## Balance Sheet

as at 30 November 2020

Registration number: NI054740

	Note	2020 £	As restated 2019 £
<b>Fixed assets</b>			
Tangible assets	5	729,317	750,789
<b>Current assets</b>			
Stocks	6	334,747	297,035
Debtors: amounts falling due within one year	7	483,115	740,199
Cash at bank and in hand		42,700	20,864
		<u>860,562</u>	<u>1,058,098</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(859,917)</u>	<u>(1,115,191)</u>
<b>Net current assets/(liabilities)</b>		<u>645</u>	<u>(57,093)</u>
<b>Total assets less current liabilities</b>		729,962	693,696
<b>Creditors: Amounts falling due after more than one year</b>	8	<u>(320,633)</u>	<u>(318,637)</u>
<b>Net assets</b>		<u>409,329</u>	<u>375,059</u>
<b>Capital and reserves</b>			
Called up share capital	10	490,000	490,000
Profit and loss account		<u>(80,671)</u>	<u>(114,941)</u>
<b>Total equity</b>		<u>409,329</u>	<u>375,059</u>

Further information on the prior year restatement is presented in note 13.

The notes on pages 4 to 10 form an integral part of these financial statements.

# William Clark & Sons Limited

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## Balance Sheet

as at 30 November 2020 (continued)

Registration number: NI054740

For the financial year ending 30 November 2020 the Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

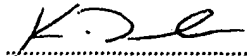
### Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of the FRS 102 Section 1A - small entities.

These financial statements have been delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 16/1/21 and signed on its behalf by:



K Devlin  
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

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# William Clark & Sons Limited

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## Notes to the Financial Statements

for the year ended 30 November 2020

### 1 General information

William Clark & Sons Limited is a private company limited by shares and incorporated in Northern Ireland. Registered number NI054740. Its registered office is located at Upperlands, Maghera, Co Londonderry, Northern Ireland, BT46 5RZ.

The principal activity of the Company can be found in the Directors' Report on page 2.

### 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 under the historical cost convention except where disclosed in the accounting policies certain items are shown at fair value.

The Company's functional and presentation currency is Pounds sterling and rounded to the nearest pound.

#### *Going concern*

The directors having assessed the financial position and prospects for the company, including risks and uncertainties arising from the COVID-19 pandemic are satisfied that the company has adequate resources to continue to operate as a going concern for the foreseeable future.

The Directors acknowledge that the Company is dependent upon the support of one of its shareholders, Evans Textile (Sales) Limited and has obtained a formal confirmation of support from this Company. The Directors have also considered the ability of that Company to continue to provide support and are satisfied that preparing the financial statements on the going concern basis remains appropriate.

Noting these factors, the Directors are satisfied there is no material uncertainty in respect of the adoption of the going concern basis in preparing the financial statements.

#### *Revenue*

Revenue is measured as 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.

## Notes to the Financial Statements for the year ended 30 November 2020 (continued)

### 2 Accounting policies (continued)

#### *Finance costs*

Finance costs are charged to the Profit and Loss Account 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.

#### *Tax*

The tax expense for the year comprises of 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.

#### *Tangible assets*

Tangible assets are initially recognised at cost which includes directly attributable incremental costs incurred in their acquisition and installation.

Tangible assets are subsequently measured at their revalued amount less any subsequent depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Tangible assets are depreciated over the expected useful lives of the assets as follows:

Plant and other equipment: 10 - 15 years - Straight line

#### *Stocks and work in progress*

Stocks are valued at the lower of cost, on a first in, first out basis, and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, costs comprise direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

#### *Government grants*

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

The Company has, during the course of the year, utilised the Government's Coronavirus Job Retention Scheme, also known as the furlough scheme. Furlough income is recognised in the same month that it relates to payroll costs.

#### *Trade debtors*

Trade debtors are amounts due from customers for 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.

#### *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.

## Notes to the Financial Statements

for the year ended 30 November 2020 (continued)

### 2 Accounting policies (continued)

#### *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.

#### *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.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



# William Clark & Sons Limited

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## Notes to the Financial Statements for the year ended 30 November 2020 (continued)

### 2 Accounting policies (continued)

#### *Foreign currencies*

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. All monetary liabilities and assets are translated at year end exchange rates and the resulting exchange differences are dealt with in the determination of profit/loss for the financial year.

### 3 Employees

The average number of persons employed by the Company (including Directors) during the year, was 27 (2019: 28).

### 4 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>94,867</u>	<u>91,512</u>

### 5 Tangible assets

	<i>Plant and machinery £</i>
<b>Cost or valuation</b>	
At 1 December 2019	1,408,400
Additions	<u>20,528</u>
At 30 November 2020	<u>1,428,928</u>
<b>Depreciation</b>	
At 1 December 2019	657,611
Charge for the year	<u>42,000</u>
At 30 November 2020	<u>699,611</u>
<b>Carrying amount</b>	
At 30 November 2020	<u>729,317</u>
At 30 November 2019	<u>750,789</u>

Assets previously revalued in 2012, have been fully depreciated.

# William Clark & Sons Limited

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## Notes to the Financial Statements for the year ended 30 November 2020 (continued)

### 6 Stocks

	2020 £	2019 £
Work in progress	18,903	32,110
Finished goods and goods for resale	315,844	264,925
	<u>334,747</u>	<u>297,035</u>

### 7 Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	310,223	542,927
Other debtors	67,624	54,063
Prepayments and accrued income	105,268	143,209
	<u>483,115</u>	<u>740,199</u>

### 8 Creditors

#### *Amounts falling due within one year*

	2020 £	2019 £
Bank overdraft	18,830	14,534
Invoice discounting facility	219,338	273,246
Trade creditors	496,335	724,619
Taxation - VAT	48,894	50,232
Other taxes and social security costs	15,089	13,131
Other creditors	61,431	39,429
	<u>859,917</u>	<u>1,115,191</u>

# William Clark & Sons Limited

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## Notes to the Financial Statements for the year ended 30 November 2020 (continued)

### 8 Creditors (continued)

*Amounts falling due after more than one year*

	2020 £	2019 £
Loans owed to related parties	<u>320,633</u>	<u>318,637</u>

The amounts due to related parties include loans totalling £210,781 (2019: £210,781) which are secured by registered debenture by way of fixed and floating charges over the assets of the Company. Interest at a commercial rate will be considered for payment at end of the loan period.

### 9 Bank overdrafts

Bank overdrafts and all monies which may become due to the Company's bankers are secured by way of the following:

- Fixed and floating charges over the Company's assets;
- Charge over contract monies given by William Clark & Sons Limited;
- General pledge over documents and goods given by William Clark & Sons Limited; and
- Unlimited Composite Company Guarantee given by William Clark & Sons Limited and Evans Textile (Sales) Limited to secure all liabilities of each other.

### 10 Share capital

*Allotted, called up and fully paid shares*

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	<u>490,000</u>	<u>490,000</u>	<u>490,000</u>	<u>490,000</u>

### 11 Related party transactions

T G Clark is a director and shareholder of both William Clark & Sons Limited and William Clark & Sons (Holdings) Limited, although the Company is not owned by William Clark & Sons (Holdings) Limited. At 30 November 2020, the Company owed £7,750 to T G Clark (2019: £7,750) which falls due for repayment after one year. Interest at a commercial rate will be considered for payment at end of the loan period.

During the year the Company traded with Evans Textile (Sales) Limited, a shareholder. At 30 November 2020, the Company owed Evans Textile (Sales) Limited £345,146 (2019: £513,386) and was owed £21,969 (2019: £186,861) from Evans Textile (Sales) Limited in respect of sales and purchases made between the parties during the year. Also, at 30 November 2020, the Company owed Evans Textile (Sales) Limited £210,781 (2019: £210,781) in respect of total loan balances due. Interest at a commercial rate will be considered for payment at end of the loan period.

# William Clark & Sons Limited

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## Notes to the Financial Statements

for the year ended 30 November 2020 (continued)

### 11 Related party transactions (continued)

During the year ended 30 November 2020, William Clark & Sons Limited received rent from William Clark & Sons (Holdings) Limited. Rent received by the Company during the year was £4,800 (2019: £4,800). At 30 November 2020 the Company owed £102,102 (2019: £100,106) to William Clark & Sons (Holdings) Limited which falls due for repayment after one year. Interest at a commercial rate will be considered for payment at end of the loan period.

### 12 Post balance sheet events

The UK left the European Union ('EU') on 31 January 2020. A transitional period, during which the UK is no longer a member of the EU but is still subject to EU rules and remains a member of the Customs Union, concluded on 31 December 2020. Prior to, and subsequent to, year-end Management has carefully monitored the impact of Brexit under this new political landscape and how it has, and will, impact the organisation. Management conclude that since 1 January 2021, despite there having been increased delays at ports in clearing customs, additional carriage charges and duty costs and further administrative workload required to address these issues, these do not materially affect the business, its business model nor its viability as a going concern.

### 13 Prior year restatement

There were adjustments made for the corrections to the prior year figures on the revaluation reserve as follows:

A prior period adjustment has been made to restate revaluation reserve. The revaluation reserve has been transferred to P&L due to assets being fully depreciated. The prior year adjustment has resulted in the following changes being made to the individual line items below.

	<i>As reported at 30 November 2019 (£)</i>	<i>Adjustment (£)</i>	<i>30 November 2019 restated (£)</i>
Revaluation reserve	46,102	(46,102)	-
Profit and loss account	(161,043)	46,102	(114,941)