

Registration number: 00807879

# Fred Smith & Sons (Motor Bodies) Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2021

Ian Richmond Limited  
Chartered Accountants  
Church Cottage  
Church Road  
Tettenhall  
Wolverhampton  
West Midlands  
WV6 9AJ



# **Fred Smith & Sons (Motor Bodies) Limited**

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## **Fred Smith & Sons (Motor Bodies) Limited**

### **Company Information**

**Directors**

- Mr Clarke Smith
- Mrs Emma Cottam
- Mr James Smith
- Mr Martin John Smith
- Mr Robert Smith

**Company secretary** Mr James Smith

**Registered office**

- Sams Lane
- West Bromwich
- West Midlands
- B70 7EG

**Auditors**

- Ian Richmond Limited
- Chartered Accountants
- Church Cottage
- Church Road
- Tettenhall
- Wolverhampton
- West Midlands
- WV6 9AJ

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Strategic Report for the Year Ended 30 June 2021**

The directors present their strategic report for the year ended 30 June 2021.

#### **Principal activity**

The principal activity of the company is that of motor body builders, repairers and assemblers and short term hire of commercial vehicles.

#### **Fair review of the business**

The Directors consider trading performance in the year to be good. The financial position at the year end was considered satisfactory and the Directors anticipate similar performance to be maintained going forward.

The company's key financial and other performance indicators during the year were as follows:

<b>Financial KPIs</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>
Turnover	£000	8,479	8,477
Gross Profit	%	24	23
Operating Profit	£000	425	423

#### **Principal risks and uncertainties**

The company continues to recognise areas of risk to the business, in particular compliance with laws and regulations is a significant risk to the business. The company is always looking at ways to minimise these risks and investment in this area is given priority.

The Directors have considered Corona Virus and have been meeting on a regular basis to review what measures need to be taken as circumstances and conditions dictate and will continue to do so for as long as required.

Approved and authorised by the Board on 13 December 2021 and signed on its behalf by:



Mr James Smith  
Company secretary and director

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Directors' Report for the Year Ended 30 June 2021**

The directors present their report and the financial statements for the year ended 30 June 2021.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr Clarke Smith

Mrs Emma Cottam

Mr James Smith - Company secretary and director

Mr Martin John Smith

Mr Robert Smith

#### **Financial instruments**

#### ***Objectives and policies***

The company's operations expose it to a variety of financial risks and the Directors seek to limit any adverse effects on the financial performance by monitoring the levels of debt finance and liquidity and the related costs.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

##### **Price Risk**

The company is not significantly exposed to price risk as the majority of the work is short term and quoted for on a job by job basis.

##### **Credit Risk**

The company has implemented policies that require appropriate credit and finance checks on customers before sales are made and operate within set limits for the majority of customers.

##### **Liquidity Risk**

The company aims to mitigate liquidity risk by maintaining liquid funds within the business at all times by utilising a mixture of finance options within the business.

##### **Interest Rate Cash Flow Risk**

The company is not exposed to any significant interest rate risk since the majority of their debt is on a fixed rate basis.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 13 December 2021 and signed on its behalf by:



Mr James Smith  
Company secretary and director

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited**

#### **Opinion**

We have audited the financial statements of Fred Smith & Sons (Motor Bodies) Limited (the 'company') for the year ended 30 June 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor Responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of laws and regulations specific to the company we design procedures in line with our responsibilities outlined above to identify breaches of the laws and regulations. Specific to the company are H&S laws, road traffic regulations as well as unethical and prohibited business practices. We consider the areas covered by Companies Acts and ISAs (UK) with an aim of identifying errors that could have a material effect on the financial statements. We evaluate management incentives in relation to fraudulent manipulation of the financial statements and management bias through judgements and assumptions in significant estimates and one-off or unusual transactions. Audit procedures performed by the auditors included:



## **Fred Smith & Sons (Motor Bodies) Limited**

### **Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited**

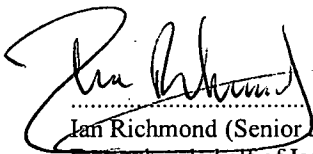
- 1) discussion with management in relation to suspected instances of non-compliance with laws and regulations.
- 2) substantive testing in relation to major areas of income, expenditure, asset and liability.
- 3) analytical review of management accounts to verify verbal representations with actual figures.
- 4) substantive testing of significant estimates.

There are inherent limitations in the audit procedures described above, in particular events that might not be represented within the financial statements. These together with fraud have less likelihood of detection, fraud because there is an intent to mislead and a requirement to cover up the action as opposed to accidental errors which are less likely to be concealed by deliberate acts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Richmond (Senior Statutory Auditor)

For and on behalf of Ian Richmond Limited, Statutory Auditor

Church Cottage  
Church Road  
Tettenhall  
Wolverhampton  
West Midlands  
WV6 9AJ

13 December 2021

**Fred Smith & Sons (Motor Bodies) Limited**

**Profit and Loss Account for the Year Ended 30 June 2021**

	Note	2021 £	2020 £
Turnover	3	8,478,725	8,477,391
Cost of sales		<u>(6,422,050)</u>	<u>(6,498,844)</u>
Gross profit		2,056,675	1,978,547
Administrative expenses		(1,682,231)	(1,693,847)
Other operating income	4	<u>50,831</u>	<u>138,524</u>
Operating profit	6	<u>425,275</u>	<u>423,224</u>
Other interest receivable and similar income	7	4,249	2,893
Interest payable and similar expenses	8	<u>(23,489)</u>	<u>(48,878)</u>
		<u>(19,240)</u>	<u>(45,985)</u>
Profit before tax		406,035	377,239
Tax on profit	12	<u>(82,658)</u>	<u>(70,679)</u>
Profit for the financial year		<u><u>323,377</u></u>	<u><u>306,560</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Fred Smith & Sons (Motor Bodies) Limited**

**Statement of Comprehensive Income for the Year Ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit for the year	<u>323,377</u>	<u>306,560</u>
Total comprehensive income for the year	<u><u>323,377</u></u>	<u><u>306,560</u></u>

The notes on pages 13 to 26 form an integral part of these financial statements.


# Fred Smith & Sons (Motor Bodies) Limited


(Registration number: 00807879)

; Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	4,393,569	4,148,022
<b>Current assets</b>			
Stocks	14	233,473	234,950
Debtors	15	1,802,537	1,532,517
Cash at bank and in hand		<u>2,590,622</u>	<u>3,247,428</u>
		4,626,632	5,014,895
<b>Creditors: Amounts falling due within one year</b>	17	<u>(3,886,093)</u>	<u>(2,773,999)</u>
<b>Net current assets</b>		<u>740,539</u>	<u>2,240,896</u>
<b>Total assets less current liabilities</b>		5,134,108	6,388,918
<b>Creditors: Amounts falling due after more than one year</b>	17	(893,259)	(2,374,446)
<b>Provisions for liabilities</b>	18	<u>(102,000)</u>	<u>(19,000)</u>
<b>Net assets</b>		<u><u>4,138,849</u></u>	<u><u>3,995,472</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,000	3,000
Profit and loss account		<u>4,135,849</u>	<u>3,992,472</u>
Shareholders' funds		<u><u>4,138,849</u></u>	<u><u>3,995,472</u></u>

Approved and authorised by the Board on 13 December 2021 and signed on its behalf by:

  
 .....  
 Mrs Emma Cottam  
 Director

  
 .....  
 Mr James Smith  
 Company secretary and director

The notes on pages 13 to 26 form an integral part of these financial statements.

**Fred Smith & Sons (Motor Bodies) Limited**

**Statement of Changes in Equity for the Year Ended 30 June 2021**

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2020	3,000	3,992,472	3,995,472
Profit for the year	-	323,377	323,377
Total comprehensive income	-	323,377	323,377
Dividends	-	(180,000)	(180,000)
At 30 June 2021	3,000	4,135,849	4,138,849
	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2019	3,000	3,865,912	3,868,912
Profit for the year	-	306,560	306,560
Total comprehensive income	-	306,560	306,560
Dividends	-	(180,000)	(180,000)
At 30 June 2020	3,000	3,992,472	3,995,472

The notes on pages 13 to 26 form an integral part of these financial statements.

## Fred Smith & Sons (Motor Bodies) Limited

### Statement of Cash Flows for the Year Ended 30 June 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		323,377	306,560
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,623,887	1,760,590
Profit on disposal of tangible assets	5	(501,863)	(327,271)
Finance income	7	(4,249)	(2,893)
Finance costs	8	23,489	48,878
Income tax expense	12	82,658	70,679
		<u>1,547,299</u>	<u>1,856,543</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	1,477	(26,635)
Increase in trade debtors	15	(270,020)	(19,470)
Increase in trade creditors	17	247,204	361,853
Cash generated from operations		<u>1,525,960</u>	<u>2,172,291</u>
Income taxes paid	12	(92,658)	(50,779)
Net cash flow from operating activities		<u>1,433,302</u>	<u>2,121,512</u>
<b>Cash flows from investing activities</b>			
Interest received	7	4,249	2,893
Acquisitions of tangible assets		(1,932,189)	(457,693)
Proceeds from sale of tangible assets		<u>564,617</u>	<u>388,281</u>
Net cash flows from investing activities		<u>(1,363,323)</u>	<u>(66,519)</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(23,489)	(48,878)
Proceeds from bank borrowing draw downs		(1,000,000)	1,000,000
Repayment of other borrowing		14,507	(42)
Payments to finance lease creditors		462,197	(841,264)
Dividends paid	23	(180,000)	(180,000)
Net cash flows from financing activities		<u>(726,785)</u>	<u>(70,184)</u>
Net (decrease)/increase in cash and cash equivalents		(656,806)	1,984,809
Cash and cash equivalents at 1 July		<u>3,247,428</u>	<u>1,262,619</u>
Cash and cash equivalents at 30 June		<u>2,590,622</u>	<u>3,247,428</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **1 General information**

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

The address of its registered office is:

Sams Lane  
West Bromwich  
West Midlands  
B70 7EG  
England

These financial statements were authorised for issue by the Board on 13 December 2021.

#### **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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **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.

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.

## **Fred Smith & Sons (Motor Bodies) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short Leasehold Land & Buildings	10% pa straight line basis
Plant & Machinery	15% pa reducing balance basis, 33% 20%, 12.5% and 10% reducing balance basis.
Office Equipment	15% pa reducing balance basis and 25% pa straight line basis.
Motor Vehicles	25% pa reducing balance basis

#### **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.

#### **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.



## **Fred Smith & Sons (Motor Bodies) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **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 in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

#### **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 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Sale of goods	<u>8,478,725</u>	<u>8,477,391</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	45,791	133,484
Sub lease rental income	5,040	5,040
	<u>50,831</u>	<u>138,524</u>

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2021 £	2020 £
Gain/loss on disposal of property, plant and equipment	<u>501,863</u>	<u>327,271</u>

#### 6 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	1,623,887	1,760,590
Profit on disposal of property, plant and equipment	<u>(501,863)</u>	<u>(327,271)</u>

#### 7 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	<u>4,249</u>	<u>2,893</u>

#### 8 Interest payable and similar expenses

	2021 £	2020 £
Interest on obligations under finance leases and hire purchase contracts	<u>23,489</u>	<u>48,878</u>

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	2,321,500	2,374,553
Social security costs	240,112	237,412
Pension costs, defined contribution scheme	156,502	154,994
	<u>2,718,114</u>	<u>2,766,959</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	63	57
Administration and support	7	7
Other departments	5	5
	<u>75</u>	<u>69</u>

#### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	562,758	559,170
Contributions paid to money purchase schemes	119,405	119,004
	<u>682,163</u>	<u>678,174</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	<u>128,060</u>	<u>110,530</u>

#### 11 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>4,250</u>	<u>4,250</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 12 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	93,000
UK corporation tax adjustment to prior periods	(342)	(721)
	<u>(342)</u>	<u>92,279</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	83,000	(21,600)
Tax expense in the income statement	<u>82,658</u>	<u>70,679</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>406,035</u>	<u>377,239</u>
Corporation tax at standard rate	77,147	71,675
Effect of expense not deductible in determining taxable profit (tax loss)	517	970
Decrease in UK and foreign current tax from adjustment for prior periods	(342)	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(77,342)	20,050
Tax increase/(decrease) from other short-term timing differences	83,000	(21,600)
Other tax effects for reconciliation between accounting profit and tax expense (income)	(322)	(416)
Total tax charge	<u>82,658</u>	<u>70,679</u>

#### Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2021</b>		
Accelerated capital allowances	-	149,000
Repairs	47,000	-
	<u>47,000</u>	<u>149,000</u>

**Fred Smith & Sons (Motor Bodies) Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2021**

<b>2020</b>	<b>Liability £</b>
Accelerated capital allowances	19,000
Repairs	-
	<u>19,000</u>

**Fred Smith & Sons (Motor Bodies) Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2021**

**13 Tangible assets**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>					
At 1 July 2020	141,177	344,424	420,612	12,114,880	13,021,093
Additions	1,360	214	34,500	1,896,115	1,932,189
Disposals	-	-	(66,360)	(2,051,285)	(2,117,645)
At 30 June 2021	<u>142,537</u>	<u>344,638</u>	<u>388,752</u>	<u>11,959,710</u>	<u>12,835,637</u>
<b>Depreciation</b>					
At 1 July 2020	76,091	316,694	258,565	8,221,721	8,873,071
Charge for the year	12,123	10,446	44,247	1,557,072	1,623,888
Eliminated on disposal	-	-	(65,686)	(1,989,205)	(2,054,891)
At 30 June 2021	<u>88,214</u>	<u>327,140</u>	<u>237,126</u>	<u>7,789,588</u>	<u>8,442,068</u>
<b>Carrying amount</b>					
At 30 June 2021	<u>54,323</u>	<u>17,498</u>	<u>151,626</u>	<u>4,170,122</u>	<u>4,393,569</u>
At 30 June 2020	<u>65,086</u>	<u>27,730</u>	<u>162,047</u>	<u>3,893,159</u>	<u>4,148,022</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	3,023,602	2,067,099
Motor vehicles	49,829	66,439
	<u>3,073,431</u>	<u>2,133,538</u>

#### 14 Stocks

	2021 £	2020 £
Raw materials and consumables	154,073	124,699
Work in progress	79,400	110,251
	<u>233,473</u>	<u>234,950</u>

#### 15 Debtors

	2021 £	2020 £
Trade debtors	1,619,140	1,255,667
Other debtors	46,339	52,298
Prepayments	137,058	224,552
Total current trade and other debtors	<u>1,802,537</u>	<u>1,532,517</u>

#### 16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	1,429	1,202
Cash at bank	157,432	287,884
Short-term deposits	2,431,761	2,958,342
	<u>2,590,622</u>	<u>3,247,428</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 17 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	21	1,251,118	293,228
Trade creditors		769,664	631,975
Amounts due to related parties	24	665,754	558,229
Social security and other taxes		222,452	496,653
Other payables		929,486	661,430
Accrued expenses		47,619	39,484
Income tax liability	12	-	93,000
		<u>3,886,093</u>	<u>2,773,999</u>
<b>Due after one year</b>			
Loans and borrowings	21	<u>893,259</u>	<u>2,374,446</u>

#### 18 Provisions for liabilities

	Deferred tax £	Total £
At 1 July 2020	19,000	19,000
Increase (decrease) in existing provisions	<u>83,000</u>	<u>83,000</u>
At 30 June 2021	<u>102,000</u>	<u>102,000</u>

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £156,502 (2020 - £154,994).

#### 20 Share capital

##### Allotted, called up and fully paid shares

	2021 No.	£	2020 No.	£
Ordinary of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>



**Fred Smith & Sons (Motor Bodies) Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2021**

**21 Loans and borrowings**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	-	1,000,000
HP and finance lease liabilities	893,259	1,374,446
	<u>893,259</u>	<u>2,374,446</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
HP and finance lease liabilities	1,197,943	254,559
Other borrowings	53,175	38,669
	<u>1,251,118</u>	<u>293,228</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 22 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	1,224,348	915,300
Later than one year and not later than five years	906,095	739,441
	<u>2,130,443</u>	<u>1,654,741</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Later than one year and not later than five years	50,000	50,000
Later than five years	119,500	119,500
	<u>169,500</u>	<u>169,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £285,617 (2020 - £287,891).

#### 23 Dividends

##### Interim dividends paid

	2021 £	2020 £
Interim dividend of £60 per each Ordinary	<u>180,000</u>	<u>180,000</u>

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 24 Related party transactions

##### Summary of transactions with parent

TelIdeal Limited

The company has a loan from TelIdeal Limited which at 30.06.21 was £665,753 (2020 £558,229)

The loan is unsecured, interest free and repayable on demand

##### Summary of transactions with entities with joint control or significant interest

Saxon Lettings Limited

The Company has made a loan to Saxon Lettings a company owned and controlled by the Directors of Fred Smith and Sons Limited.

The loan is interest free and repayable on demand.

#### Expenditure with and payables to related parties

	Parent £
<b>2021</b>	
Leases	219,500
	<hr/>
	Parent £
<b>2020</b>	
Leases	219,500
	<hr/>

#### Loans to related parties

	Entities with joint control or significant influence £	Total £
<b>2021</b>		
At start of period	52,301	52,301
Repaid	(5,962)	(5,962)
	<hr/>	<hr/>
At end of period	46,339	46,339
	<hr/>	<hr/>
	Entities with joint control or significant influence £	Total £
<b>2020</b>		
At start of period	58,262	58,262
Repaid	(5,961)	(5,961)
	<hr/>	<hr/>
At end of period	52,301	52,301
	<hr/>	<hr/>

#### Loans from related parties

## Fred Smith & Sons (Motor Bodies) Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

	Parent £	Total £
<b>2021</b>		
At start of period	558,229	558,229
Advanced	243,400	243,400
Repaid	<u>(135,875)</u>	<u>(135,875)</u>
At end of period	<u>665,754</u>	<u>665,754</u>
	Parent £	Total £
<b>2020</b>		
At start of period	438,139	438,139
Advanced	182,390	182,390
Repaid	<u>(62,300)</u>	<u>(62,300)</u>
At end of period	<u>558,229</u>	<u>558,229</u>

#### 25 Parent and ultimate parent undertaking

The company's immediate parent is Telideal Limited, incorporated in England.