

CUMBRIA CLOCK COMPANY LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

30 JUNE 2019

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

# **CUMBRIA CLOCK COMPANY LIMITED**

## **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CUMBRIA CLOCK COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cumbria Clock Company Limited for the year ended 30 June 2019 which comprise the Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Cumbria Clock Company Limited, as a body, in accordance with the terms of our engagement letter dated 26 March 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Cumbria Clock Company Limited and state those matters that we have agreed to state to the Board of directors of Cumbria Clock Company Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cumbria Clock Company Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Cumbria Clock Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Cumbria Clock Company Limited. You consider that Cumbria Clock Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Cumbria Clock Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Armstrong Watson LLP**  
Chartered Accountants  
Carlisle  
31 March 2020

**CUMBRIA CLOCK COMPANY LIMITED**  
**REGISTERED NUMBER: 04439944**

**BALANCE SHEET**  
**AS AT 30 JUNE 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	4	9,000	12,000
Tangible assets	5	103,453	52,829
		<u>112,453</u>	<u>64,829</u>
<b>Current assets</b>			
Stocks	6	5,000	6,500
Debtors: amounts falling due within one year	7	266,057	203,061
Cash at bank and in hand		135,905	29,186
		<u>406,962</u>	<u>238,747</u>
Creditors: amounts falling due within one year	8	(198,515)	(166,645)
<b>Net current assets</b>		<u>208,447</u>	<u>72,102</u>
<b>Total assets less current liabilities</b>		<u>320,900</u>	<u>136,931</u>
Creditors: amounts falling due after more than one year	9	(29,839)	(25,702)
<b>Provisions for liabilities</b>			
Deferred tax	10	(11,547)	(3,444)
		<u>(11,547)</u>	<u>(3,444)</u>
<b>Net assets</b>		<u><u>279,514</u></u>	<u><u>107,785</u></u>

**CUMBRIA CLOCK COMPANY LIMITED**  
**REGISTERED NUMBER: 04439944**

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2019**

	Note	2019 £	2018 £
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		279,414	107,685
		<u>279,514</u>	<u>107,785</u>

The directors consider 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 year in question in accordance with section 476 of the Companies Act 2006.

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 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:

**L B Scobie-Youngs**  
Director

Date: 31 March 2020

The notes on pages 4 to 11 form part of these financial statements.

## **CUMBRIA CLOCK COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

#### **1. General information**

Cumbria Clock Company Limited is a private company, limited by shares, domiciled in England and Wales, registration number 04439944. The registered office is Castle Workshop, Dacre, Penrith, Cumbria, CA11 0HL. The principal activity of the company is the repair and restoration of clocks.

#### **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 Revenue**

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

###### **Sale of goods**

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

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

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

**2. Accounting policies (continued)**

**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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.4 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.5 Interest income**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

**2.6 Finance costs**

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

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.8 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.11 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold property	-	10% Straight line
Plant and machinery	-	20% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	10% 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 the Statement of income and retained earnings.

2.12 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

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



**CUMBRIA CLOCK COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**2. Accounting policies (continued)**

**2.16 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 the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

**2.17 Financial instruments**

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

**2.18 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 16 (2018 - 16).

**4. Intangible assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2018	60,000
At 30 June 2019	<u>60,000</u>
<b>Amortisation</b>	
At 1 July 2018	48,000
Charge for the year	3,000
At 30 June 2019	<u>51,000</u>
<b>Net book value</b>	
At 30 June 2019	<u><u>9,000</u></u>
At 30 June 2018	<u><u>12,000</u></u>

**CUMBRIA CLOCK COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**5. Tangible fixed assets**

	<b>L/Term Leasehold Property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 July 2018	12,171	52,853	116,270	-	181,294
Additions	10,820	38,027	28,300	1,382	78,529
Disposals	-	-	(5,995)	-	(5,995)
At 30 June 2019	<u>22,991</u>	<u>90,880</u>	<u>138,575</u>	<u>1,382</u>	<u>253,828</u>
<b>Depreciation</b>					
At 1 July 2018	9,197	36,929	82,339	-	128,465
Charge for the year on owned assets	1,267	7,512	3,255	138	12,172
Charge for the year on financed assets	-	3,288	12,255	-	15,543
Disposals	-	-	(5,805)	-	(5,805)
At 30 June 2019	<u>10,464</u>	<u>47,729</u>	<u>92,044</u>	<u>138</u>	<u>150,375</u>
<b>Net book value</b>					
At 30 June 2019	<u>12,527</u>	<u>43,151</u>	<u>46,531</u>	<u>1,244</u>	<u>103,453</u>
<b>At 30 June 2018</b>	<u>2,974</u>	<u>15,924</u>	<u>33,931</u>	<u>-</u>	<u>52,829</u>

**6. Stocks**

	<b>2019 £</b>	<b>2018 £</b>
Raw materials and consumables	<u>5,000</u>	<u>6,500</u>

**7. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	229,381	150,702
Other debtors	2,819	4,359
Amounts recoverable on long term contracts	33,857	48,000
	<u>266,057</u>	<u>203,061</u>

**CUMBRIA CLOCK COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**8. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank overdrafts	28,465	16,522
Trade creditors	33,958	75,735
Corporation tax	48,499	17,368
Other taxation and social security	55,107	35,787
Obligations under finance lease and hire purchase contracts	17,853	10,906
Other creditors	11,450	7,872
Accruals and deferred income	3,183	2,455
	<u>198,515</u>	<u>166,645</u>

The following liabilities were secured:

	2019 £	2018 £
Bank overdrafts	28,465	16,522
Obligations under finance lease and hire purchase contracts	17,853	10,906
	<u>46,318</u>	<u>27,428</u>

Details of security provided:

The bank overdraft is secured by fixed and floating charges over the company and all of its undertakings.

Hire purchase contracts are secured against the assets to which they relate.

**9. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>29,839</u>	<u>25,702</u>

The following liabilities were secured:

	2019 £	2018 £
Obligations under finance lease and hire purchase contracts	<u>29,839</u>	<u>25,702</u>

Details of security provided:

Hire purchase contracts are secured against the assets to which they relate.

**10. Deferred taxation**

**CUMBRIA CLOCK COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**10. Deferred taxation (continued)**

	2019 £
At beginning of year	3,444
Charged to profit or loss	8,103
<b>At end of year</b>	<b>11,547</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>11,547</u>	<u>3,444</u>

**11. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £13,673 (2018 - £13,194). Contributions totalling £2,082 (2018 - £1,328) were payable to the fund at the balance sheet date and are included in creditors.

**12. Commitments under operating leases**

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

**13. Transactions with directors**

During the year the directors had a joint loan account with the company. At 1 July 2018 the balance owed by the directors was £4,358. During the year the directors made repayments of £9,285 and received advances of £7,746. At 30 June 2019 the balance owed by the directors was £2,819. The loan is interest free, unsecured and 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.