

COMPANY REGISTRATION NUMBER: 6178606

The Pudding Compartment Limited
Filleted Unaudited Financial Statements
31 March 2021

The Pudding Compartment Limited

Statement of Financial Position

31 March 2021

		2021	2020
			(restated)
	Note	£	£
Fixed Assets			
Tangible assets	5	99,901	113,525
Current Assets			
Stocks		57,778	85,172
Debtors	6	74,362	179,693
Cash at bank and in hand		300,493	22,686
		432,633	287,551
Creditors: amounts falling due within one year	7	134,688	258,731
Net Current Assets		297,945	28,820
Total Assets Less Current Liabilities		397,846	142,345
Creditors: amounts falling due after more than one year	8	300,252	57,780
Net Assets		97,594	84,565

The Pudding Compartment Limited

Statement of Financial Position *(continued)*

31 March 2021

		2021	2020
			<i>(restated)</i>
	Note	£	£
Capital and Reserves			
Called up share capital		1,000	1,000
Share premium account		67,101	67,101
Profit and loss account		29,493	16,464
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Shareholders Funds		97,594	84,565
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 March 2021 the company was 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 financial statements for the year in question in accordance with section 476 ;

- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 22 December 2021 , and are signed on behalf of the board by:

Mr S J West

Director

Company registration number: 6178606

The Pudding Compartment Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1st Floor Pembroke House, Ellice Way, Wrexham Technology Park, Wrexham, LL13 7YT.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

In the first months of 2020, COVID-19 (coronavirus) spread all over the world and negatively affected many companies in the UK, particularly affecting companies operating in or supplying the hospitality industry. At the time of publication of these financial statements, the situation is constantly changing and it seems that the negative impact of this pandemic on businesses may be more serious than originally expected. While the directors are currently unable to reliably quantify the future impact of the coronavirus outbreak on the future results of the company, the directors have forecast the likely movements in cash flows over a period of 12 months from the date of approval of these accounts. The most significant assumptions made in the preparation of the forecast are that sales to existing customers will continue at recent levels for the next 12 months. The expectation is that Covid-19 will not cause any further significant disruption to the hospitality sector, including extended lockdowns and long periods of time where the hospitality sector would be required to close. Based on the expected sales the directors consider that the company should be able to meet its financial obligations as they fall due, and as a result, they have adopted the going concern basis of accounting.

Prior Year Adjustment

During the year ended 31 March 2021 the company applied for research and development tax credits in relation to expenditure incurred during the accounting periods ended 31 March 2020.

As the claim relates to expenditure incurred in previous accounting periods, a prior year adjustment has been made to opening reserves as detailed in Note 11 to these financial statements.

Revenue Recognition

Turnover is measured at the value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Corporation tax credits arising as a result of research and development expenditure claims are treated as a reduction of the corporation tax charge for the year in question or as a negative tax charge in the event of no liability arising in that year. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long Leasehold Improvements	-	16% straight line
Office Equipment	-	20% reducing balance
Fixtures & Fittings	-	20% reducing balance
Motor Vehicles	-	20% reducing balance

Equipment

- 25% reducing balance

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. The cost of stock issued is recognised as an expense in the Statement of Income and Retained Earnings on a first in first out basis.

Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactional value and subsequently measured at their settlement value. Fixed assets, stock, prepayments and deferred income do not constitute basic financial instruments.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 26 (2020: 28).

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2020 (as restated)	24,623	17,752	4,334	44,615	256,870	348,194
Additions	—	1,226	—	6,600	8,168	15,994
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At 31 Mar 2021	24,623	18,978	4,334	51,215	265,038	364,188
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Depreciation						
At 1 Apr 2020	19,741	7,489	2,850	36,384	168,205	234,669
Charge for the year	2,794	2,115	297	1,928	22,484	29,618
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At 31 Mar 2021	22,535	9,604	3,147	38,312	190,689	264,287
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Carrying amount						
At 31 Mar 2021	2,088	9,374	1,187	12,903	74,349	99,901
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At 31 Mar 2020	4,882	10,263	1,484	8,231	88,665	113,525
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6. Debtors

	2021 £	2020 (restated) £
Trade debtors	26,723	140,046
Other debtors	47,639	39,647
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	74,362	179,693
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7. Creditors: amounts falling due within one year

	2021	2020
		<i>(restated)</i>
	£	£
Debenture loans	18,000	23,000
Bank loans and overdrafts	83,300	144,214
Trade creditors	7,137	31,090
Accruals and deferred income	12,306	15,689
Corporation tax	132	—
Social security and other taxes	5,392	11,165
Director loan accounts	4,731	22,181
Other creditors	3,690	11,392
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	134,688	258,731
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Bank loans and overdrafts amounting to £Nil (2020 - £144,214) are secured by a fixed and floating charge over the company's assets. This amount includes an invoice discounting facility balance of £Nil (2020 - £116,134) which is also secured on the trade debtors of the company.

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

	2021	2020
		<i>(restated)</i>
	£	£
Bank loans and overdrafts	300,252	57,780
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Bank loans and overdrafts amounting to £Nil (2020 - £57,780) are secured by a fixed and floating charge over the company's assets.

9. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021	2020
		<i>(restated)</i>
	£	£
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	339,792	162,733
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Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	426,985	305,347
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10. Prior year adjustment

During the year ended 31 March 2021 the company applied for research and development tax credits in relation to expenditure incurred during year ended 31 March 2020. As a result £20,879 was received in respect of tax credits during the year ended 31st March 2021. As these claims relate to expenditure incurred in previous accounting periods prior year adjustments have been made to opening reserves as detailed below:

	2021	2020
	£	£
Brought forward reserves as previously reported	(4,415)	(13,266)
Prior year adjustments		
Year ended 31st March 2020 Tax Credit	20,879	—
Brought forward reserves as restated	16,464	(13,266)

It is expected that a further tax credit will be claimed in respect of the year ended 31st March 2021 however as the amount due has not been quantified at the date of approval of these accounts the tax credit asset due relating to the current year has not been recognised in these financial statements.

11. Contingencies

At the year end the company had a contingent liability in respect of exceptional Welsh Government funding received amounting to £136,500 in support of additional Covid-19 related costs. In common with many forms of government funding the Welsh Government reserves the right to clawback any funding to the extent that it considers the application of the grant does not meet the grant conditions.

12. Related party transactions

Mr S West is the managing director and majority shareholder of Manorspace Ltd. During the year The Pudding Compartment Ltd made payments totalling £36,500 (2020 - £33,600) to Manorspace Ltd in respect of rent for a property. The balance owing at the year end to Manorspace Ltd was £Nil (2020 - £12,480). Mr S West is the managing director and majority shareholder of A Million Thanks Ltd. During the year The Pudding Compartment Ltd made sales totalling £36,080 (2020 - £Nil) to A Million Thanks Ltd in respect of goods sold. The balance owing at the year end to A Million Thanks Ltd is £2,432 (2020 - £Nil).

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