

**ATLANTIC FOLK LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**ATLANTIC FOLK LIMITED**  
**REGISTERED NUMBER: 07251364**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	68,660	74,284
		68,660	74,284
<b>Current assets</b>			
Stocks		184,972	326,656
Debtors: amounts falling due within one year	5	131,463	142,700
Cash at bank and in hand		31,057	2,416
		347,492	471,772
Creditors: amounts falling due within one year	6	(225,843)	(353,926)
<b>Net current assets</b>		121,649	117,846
<b>Total assets less current liabilities</b>		190,309	192,130
Creditors: amounts falling due after more than one year	7	(163,027)	(142,713)
<b>Provisions for liabilities</b>			
Deferred tax	8	(13,045)	(14,114)
		(13,045)	(14,114)
<b>Net assets</b>		14,237	35,303
<b>Capital and reserves</b>			
Called up share capital		5,315	5,315
Share premium account		4,950	4,950
Profit and loss account		3,972	25,038
		14,237	35,303

**ATLANTIC FOLK LIMITED**  
**REGISTERED NUMBER: 07251364**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

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 profit and loss account 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 on 31 March 2022.

**Mr H Middleton**  
Director

The notes on pages 3 to 10 form part of these financial statements.

# ATLANTIC FOLK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. General information

Atlantic Folk Limited is a private company limited by shares incorporated in England and Wales with the registration number 07251364. The registered office address is Churchyard, Long Sutton, Lincolnshire PE12 9JH.

The financial statements are rounded to the nearest £.

### 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 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt a going concern basis of accounting in preparing the financial statements. The directors have considered a period of 12 months from the balance sheet date.

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**2. Accounting policies (continued)**

**2.4 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.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

**2.7 Finance costs**

Finance costs are charged to profit or loss 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.

**2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 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 profit or loss 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.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.11 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.

## ATLANTIC FOLK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 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.

Depreciation is provided on the following basis:

Office & warehouse equipment	-	25%	reducing balance
Fixtures and fittings	-	15%	reducing balance
Computer equipment	-		3 year 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 Profit and Loss Account.

##### 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 first in, first out basis.

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 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.

##### 2.15 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 profit or loss 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.

ATLANTIC FOLK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.16 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 ordinary shares.

2.17 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 23 (2020 - 24).

4. Tangible fixed assets

	Office & Warehouse Equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2020	57,675	47,039	5,701	110,415
Additions	208	6,274	3,703	10,185
Disposals	(981)	-	(4,875)	(5,856)
At 31 March 2021	<u>56,902</u>	<u>53,313</u>	<u>4,529</u>	<u>114,744</u>
<b>Depreciation</b>				
At 1 April 2020	25,154	5,998	4,979	36,131
Charge for the year on owned assets	7,927	1,230	430	9,587
Charge for the year on financed assets	-	5,224	-	5,224
Disposals	(133)	-	(4,725)	(4,858)
At 31 March 2021	<u>32,948</u>	<u>12,452</u>	<u>684</u>	<u>46,084</u>
<b>Net book value</b>				
At 31 March 2021	<u>23,954</u>	<u>40,861</u>	<u>3,845</u>	<u>68,660</u>
At 31 March 2020	<u>32,521</u>	<u>41,041</u>	<u>722</u>	<u>74,284</u>



ATLANTIC FOLK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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4. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Furniture, fittings and equipment	<u>29,606</u>	<u>34,830</u>

5. Debtors

	2021 £	2020 £
Trade debtors	113,869	123,281
Other debtors	17,594	19,419
	<u>131,463</u>	<u>142,700</u>

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	46,250
Other loans	7,788	32,000
Trade creditors	56,428	72,308
Corporation tax	23,365	-
Other taxation and social security	5,160	13,931
Obligations under finance lease and hire purchase contracts	7,577	7,089
Other creditors	93,227	179,348
Accruals and deferred income	32,298	3,000
	<u>225,843</u>	<u>353,926</u>

ATLANTIC FOLK LIMITED

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7. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other loans	143,701	115,775
Net obligations under finance leases and hire purchase contracts	19,326	26,938
	<u>163,027</u>	<u>142,713</u>

**Secured creditors**

The total amount of creditor for which security has been given amounted to £178,392 (2020 - £228,052).

The other loans and overdrafts are secured against the assets of the company. Hire purchase liabilities are secured against the assets financed.

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8. Deferred taxation

	2021 £
At beginning of year	(14,114)
Charged to profit or loss	1,069
<b>At end of year</b>	<u><u>(13,045)</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u>(13,045)</u>	<u>(14,114)</u>

9. Pension commitments

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charges represent contributions payable by the Company to the funds and amounted to £24,440 (2020 - £17,769). Contributions totalling £1,111 (2020 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

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.