

NNC LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 MARCH 2021

NNC LTD
REGISTERED NUMBER: 11943400

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	31 March 2021 £	31 August 2020 £
Fixed assets			
Tangible assets	3	103,471	80,629
Investments	4	50	-
		<u>103,521</u>	<u>80,629</u>
Current assets			
Stocks		588,800	552,800
Debtors: amounts falling due within one year	5	155,130	131,054
Cash at bank		199,023	224,010
		<u>942,953</u>	<u>907,864</u>
Current liabilities			
Creditors: amounts falling due within one year	6	(618,454)	(595,807)
		<u>324,499</u>	<u>312,057</u>
Net current assets			
		<u>428,020</u>	<u>392,686</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	7	(180,256)	(199,238)
Provisions for liabilities			
Deferred tax	9	(19,660)	(15,320)
		<u>228,104</u>	<u>178,128</u>
Net assets			
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		228,004	178,028
		<u>228,104</u>	<u>178,128</u>

NNC LTD
REGISTERED NUMBER: 11943400

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 period 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:

Mr M A Nicholas
Director

Date: 22 November 2021

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies

1.1 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The Company has been affected by the restrictions imposed by the UK Government in response to the COVID-19 pandemic. The result of this is that the Company has continued to operate but social distancing measures have increased the costs of doing so. This has resulted in a loss of income for the Company. The loss of income and cashflow has been partially offset by furloughing part of the workforce under the Government scheme. In addition, the Company has additional finance available to it in the form of loans under the Government scheme.

The directors consider that the resources available to the Company will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted. However, there is a high level of uncertainty about how long the restrictions and the level of demand once the restrictions have ended which could affect this assessment. The financial statements do not contain any adjustments that would be required if the Company were not able to continue as a going concern.

1.3 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:

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.

1.4 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.5 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

1.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.7 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.

1.8 Borrowing costs

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

1.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.10 Current and deferred taxation

The tax expense for the period 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 corporation 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.11 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.

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:

Plant and machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Office equipment	-	33%	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 profit or loss.

1.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.13 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.

1.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.15 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.

1.16 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.

1.17 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.

1.18 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

1.19 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.

2. Employees

The average monthly number of employees, including directors, during the period was 11 (2020 - 13).

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

3. Tangible fixed assets

	Other fixed assets £
Cost	
At 1 September 2020	97,190
Additions	40,503
Disposals	(4,000)
At 31 March 2021	<u>133,693</u>
Depreciation	
At 1 September 2020	16,561
Charge for the period on owned assets	8,883
Charge for the period on financed assets	5,778
Disposals	(1,000)
At 31 March 2021	<u>30,222</u>
Net book value	
At 31 March 2021	<u><u>103,471</u></u>
At 31 August 2020	<u><u>80,629</u></u>

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

	31 March 2021 £	31 August 2020 £
Plant and machinery	26,147	11,958
Motor vehicles	16,135	19,107
	<u>42,282</u>	<u>31,065</u>

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

4. Fixed asset investments

	Unlisted investments £
Cost	
Additions	50
At 31 March 2021	<u>50</u>

5. Debtors

	31 March 2021 £	31 August 2020 £
Trade debtors	41,080	57,870
Other debtors	109,545	73,184
Prepayments	4,505	-
	<u>155,130</u>	<u>131,054</u>

6. Creditors: Amounts falling due within one year

	31 March 2021 £	31 August 2020 £
Bank overdrafts	36,963	75,515
Bank loans	326,498	303,164
Trade creditors	141,044	125,979
Corporation tax	72,946	36,014
Other taxation and social security	25,553	42,807
Obligations under finance lease and hire purchase contracts	10,011	7,012
Other creditors	2,486	3,315
Accruals	2,953	2,001
	<u>618,454</u>	<u>595,807</u>

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

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

	31 March 2021 £	31 August 2020 £
Bank loans	163,334	186,667
Net obligations under finance leases and hire purchase contracts	16,922	12,571
	<u>180,256</u>	<u>199,238</u>

Included within creditors are secured debts amounting to £316,764 (2020 - £309,414) which are secured on the fixed assets to which they relate.

Included within creditors are secured debts amounting to £236,963 (2020 - £275,515) which are secured via a fixed and floating charge on the Company's assets.

8. Loans

Analysis of the maturity of loans is given below:

	31 March 2021 £
Amounts falling due within one year	
Bank loans	326,498
Amounts falling due 1-2 years	
Bank loans	40,000
Amounts falling due 2-5 years	
Bank loans	120,000
Amounts falling due after more than 5 years	
Bank loans	3,334
	<u>489,832</u>

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

9. Deferred taxation

	2021 £
At beginning of year	(15,320)
Charged to profit or loss	(4,340)
At end of period	<u>(19,660)</u>

The provision for deferred taxation is made up as follows:

	31 March 2021 £	31 August 2020 £
Accelerated capital allowances	<u>(19,660)</u>	<u>(15,320)</u>

10. Share capital

	31 March 2021 £	31 August 2020 £
Allotted, called up and fully paid		
50 (2020 - 50) Ordinary A shares of £1.00 each	50	50
50 (2020 - 50) Ordinary B shares of £1.00 each	50	50
	<u>100</u>	<u>100</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 £117 (2020 - £Nil). No contributions were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

During the period the Company operated loans with the directors of the Company. At 01 September 2020 the directors owed the Company £73,152. They introduced amounts totalling £105,511 and paid expenses on the Company's behalf of £13,636. They also withdrew amounts totalling £110,861. At 31 March 2021 £64,866 was owed to the Company. This loan is interest free and repayable on demand. These loans were partially repaid within 9 months of the period end with S455 tax being provided on the balance.

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.