Company Registration No. 01132276 (England and Wales)

P N SHARPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

P N SHARPE LIMITED

COMPANY INFORMATION

Directors	S N Sharpe J K White D Sharpe N White
Company number	01132276
Registered office	Wellingborough Road Rushden Northamptonshire NN10 6AY
Auditor	Moore Oakley House Headway Business Park 3 Saxon Way West Corby Northamptonshire NN18 9EZ

P N SHARPE LIMITED

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P N SHARPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Review of business

With the Covid-19 pandemic continuing into its second year the company was again required to close for 4 months however it was able to open for key build up to the season being Easter. Indications from the previous year led the company to believe that demand for the staycation would remain strong and directors ensured the company remained in a strong position to capitalise on this. The company saw an increase in turnover of 23% on 2020 and an increase in margin from 17.14% to 18.41%. The directors are confident that this trend is set to continue for the coming years as travel abroad continues to remain unpredictable.

Principal risks and uncertainties

Financial risk management objective and policies

The company uses various financial instruments. These include cash, bank overdraft facility and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, cash flow interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest in cash assets safely and profitably.

The company policy throughout the period has been to utilise its bank overdraft facility whenever possible, and to utilise the credit terms provided by its key suppliers.

Interest rate risk

The company finances its operations through a bank overdraft facility and credit facility provided by its key suppliers.

The company's exposure to interest rate fluctuations is restricted to bank borrowings and finance terms agreed with key suppliers. These risks are managed by agreed interest levels set by the bank and suppliers.

Credit risk

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references.

Development and performance

Having the experience of the last 18 months dealing with the Covid-19 pandemic the directors are forecasting for a similar year of turnover to 2021.

We were required to close for November, January, February and March during this reporting year 2021 and during this period the company has taken advantage of all the Governments assistance. When allowed to open most restrictions were lifted enabling customers to take full advantage of both their caravans and motorhomes and became an attractive proposition to new customers.

The directors will continue to monitor overheads closely and reduce them wherever possible. The Company has a long history of profitability which has contributed towards ensuring it continues to trade with a strong balance sheet.

P N SHARPE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial key performance indicators

The directors have monitored the progress of overall company strategy and the individual strategic elements by reference to certain key performance indicators:

- Turnover for the year amounted to £17,819,706 (2020 £14,477,125)
- Operating profit for the year was £1,165,216 (2020 £536,806)
- Profit for the year was £923,655 (2020 £380,131)

On behalf of the board

N White
Director

23 December 2021

P N SHARPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of retailing of caravans, motor homes and accessories.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £264,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S N Sharpe
J K White
D Sharpe
N White

Auditor

In accordance with the company's articles, a resolution proposing that Moore be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

N White
Director

23 December 2021

P N SHARPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

P N SHARPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF P N SHARPE LIMITED

Opinion

We have audited the financial statements of P N Sharpe Limited (the 'company') for the year ended 30 September 2021 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 September 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's 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 directors' 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 financial statements are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

P N SHARPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF P N SHARPE LIMITED

Matters on which we are required to report by exception

In the light of the 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 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 directors' responsibilities statement, 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's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

P N SHARPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF P N SHARPE LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

Nicholas John Bairstow (Senior Statutory Auditor)
For and behalf of

MOORE

Chartered Accountants
Statutory Auditor

23 December 2021

Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

P N SHARPE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	2	17,819,706	14,477,125
Cost of sales		(14,539,767)	(11,995,059)
Gross profit		3,279,939	2,482,066
Administrative expenses		(2,450,695)	(2,209,806)
Other operating income		335,972	264,546
Operating profit	3	1,165,216	536,806
Interest payable and similar expenses	6	(33,173)	(67,176)
Profit before taxation		1,132,043	469,630
Tax on profit	7	(208,388)	(89,499)
Profit for the financial year		923,655	380,131
Retained earnings brought forward		1,948,749	1,743,518
Dividends	8	(264,000)	(174,900)
Retained earnings carried forward		2,608,404	1,948,749

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

P N SHARPE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		451,207		486,312
Investments	10		7,600		7,600
			458,807		493,912
Current assets					
Stocks	12	5,007,141		2,956,550	
Debtors	13	1,465,506		1,603,902	
Investments	14	1,550		1,550	
Cash at bank and in hand		6,299		289,973	
		6,480,496		4,851,975	
Creditors: amounts falling due within one year	15	(3,608,122)		(2,497,178)	
Net current assets			2,872,374		2,354,797
Total assets less current liabilities			3,331,181		2,848,709
Creditors: amounts falling due after more than one year	16		(459,304)		(635,841)
Provisions for liabilities					
Deferred tax liability	19	3,473		4,119	
			(3,473)		(4,119)
Net assets			2,868,404		2,208,749
Capital and reserves					
Called up share capital	21		260,000		260,000
Profit and loss reserves			2,608,404		1,948,749
Total equity			2,868,404		2,208,749

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:

S N Sharpe
Director

Company Registration No. 01132276

P N SHARPE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**26**		(93,114)		1,328,470
Interest paid			(33,173)		(67,176)
Income taxes paid			(85,684)		(33,036)
Net cash (outflow)/inflow from operating activities			(211,971)		1,228,258
Investing activities					
Purchase of tangible fixed assets		(29,402)		(18,529)	
Proceeds on disposal of tangible fixed assets		44,500		-	
Net cash generated from/(used in) investing activities			15,098		(18,529)
Financing activities					
Proceeds of new bank loans		-		500,000	
Repayment of bank loans		(152,818)		(37,837)	
Payment of finance leases obligations		(10,832)		(9,987)	
Dividends paid		(60,000)		(160,100)	
Net cash (used in)/generated from financing activities			(223,650)		292,076
Net (decrease)/increase in cash and cash equivalents			(420,523)		1,501,805
Cash and cash equivalents at beginning of year			289,973		(1,211,832)
Cash and cash equivalents at end of year			(130,550)		289,973
Relating to:					
Cash at bank and in hand			6,299		289,973
Bank overdrafts included in creditors payable within one year			(136,849)		-

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

P N Sharpe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wellingborough Road, Rushden, Northamptonshire, NN10 6AY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

COVID-19 has played a significant impact on the global economy and the company’s activities. During this period the directors have taken steps to minimise financial pressures and took advantage of a range of government support measures.

The directors are confident that the support measures it has put in place are sufficient to see the company as a going concern for the foreseeable future. The directors do not consider there is any material uncertainty in relation to going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for all retail vehicles and goods sold in the period and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of vehicles and goods is recognised when the significant risks and rewards of ownership of the vehicles and goods have passed to the buyer (usually on dispatch), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation
Leasehold improvements	20% per annum reducing balance
Fixtures and fittings	20% per annum reducing balance
Motor vehicles	25% per annum reducing balance

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(Continued)**

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Sales	17,819,706	14,477,125

	2021 £	2020 £
Other significant revenue		
Grants received	335,972	264,531

3 Operating profit

Operating profit for the year is stated after charging/(crediting):	2021 £	2020 £
Government grants	(335,972)	(264,531)
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	14,750
Depreciation of owned tangible fixed assets	32,858	37,630
Depreciation of tangible fixed assets held under finance leases	5,358	6,672
Profit on disposal of tangible fixed assets	(18,209)	-
Operating lease charges	81,143	101,399

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management	11	11
Administration	6	6
Sales	32	34
Servicing	17	20
Total	66	71

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Employees **(Continued)**

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,612,894	1,452,736
Social security costs	142,071	128,258
Pension costs	152,447	98,256
	1,907,412	1,679,250

5 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	254,239	206,556
Company pension contributions to defined contribution schemes	129,068	66,575
	383,307	273,131

6 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	22,097	43,404
Other interest on financial liabilities	9,720	22,607
	31,817	66,011
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,356	1,165
	33,173	67,176

7 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	209,034	85,684
Deferred tax		
Origination and reversal of timing differences	(646)	3,815
Total tax charge	208,388	89,499

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	1,132,043	469,630
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	215,088	89,230
Tax effect of expenses that are not deductible in determining taxable profit	199	233
Tax effect of income not taxable in determining taxable profit	(6,899)	-
Effect of change in corporation tax rate	-	36
Taxation charge for the year	208,388	89,499

8 Dividends

	2021	2020
	£	£
Interim paid	264,000	174,900

9 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2020	334,842	16,277	484,939	226,171	1,062,229
Additions	-	-	8,752	20,650	29,402
Disposals	-	-	-	(103,460)	(103,460)
At 30 September 2021	334,842	16,277	493,691	143,361	988,171
Depreciation and impairment					
At 1 October 2020	-	11,368	415,570	148,979	575,917
Depreciation charged in the year	-	982	15,625	21,609	38,216
Eliminated in respect of disposals	-	-	-	(77,169)	(77,169)
At 30 September 2021	-	12,350	431,195	93,419	536,964
Carrying amount					
At 30 September 2021	334,842	3,927	62,496	49,942	451,207
At 30 September 2020	334,842	4,909	69,369	77,192	486,312

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021	2020
	£	£
Fixtures and fittings	21,351	26,689

Fixed assets with a carrying amount of £21,351 (2020 £26,689) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

10 Fixed asset investments

	2021	2020
	£	£
Unlisted investments	7,600	7,600

11 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	7,600	7,600

12 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	5,007,141	2,956,550

13 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	68,831	97,616
Amounts owed by group undertakings	1,260,280	1,420,900
Other debtors	19,645	40,401
Prepayments and accrued income	116,750	44,985
	1,465,506	1,603,902

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 Current asset investments

	2021	2020
	£	£
Listed investments	1,550	1,550
Listed investments included above:		
Listed investments carrying amount	1,550	1,550
Market value if different from carrying amount	1,682	1,214

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	302,440	153,386
Obligations under finance leases	18	11,514	10,832
Trade creditors		2,144,909	1,370,013
Corporation tax		209,034	85,684
Other taxation and social security		561,347	653,434
Other creditors		146,562	107,472
Accruals and deferred income		232,316	116,357
		3,608,122	2,497,178

The obligation under finance leases is secured over the assets to which it relates.

Lombard and Black Horse hold security over any stock bought through them until payment is made.

The bank loan is secured on the freehold property of the company.

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	454,298	619,321
Obligations under finance leases	18	5,006	16,520
		459,304	635,841

The obligation under finance leases is secured over the assets to which it relates.

The bank loan is secured on the freehold property of the company.

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Loans and overdrafts

	2021	2020
	£	£
Bank loans	619,889	772,707
Bank overdrafts	136,849	-
	756,738	772,707
Payable within one year	302,440	153,386
Payable after one year	454,298	619,321

The bank overdraft is secured by a debenture that creates a fixed and floating charge over assets of the company and a charge over two life policies.

18 Finance lease obligations

	2021	2020
Future minimum lease payments due under finance leases:	£	£
Within one year	11,514	10,832
In two to five years	5,006	16,520
	16,520	27,352

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2021	2020
Balances:	£	£
Accelerated capital allowances	3,473	4,119

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Deferred taxation **(Continued)**

Movements in the year:	**2021** **£**
Liability at 1 October 2020	4,119
Credit to profit or loss	(646)
Liability at 30 September 2021	3,473

The deferred tax asset set out above is expected to reverse and relates to the accelerated capital allowances.

20 Retirement benefit schemes

Defined contribution schemes	**2021** **£**	**2020** **£**
Charge to profit or loss in respect of defined contribution schemes	152,447	98,256

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

Ordinary share capital	**2021** **Number**	**2020** **Number**	**2021** **£**	**2020** **£**
Issued and fully paid				
A ordinary shares of £1 each	130,000	130,000	130,000	130,000
B ordinary shares of £1 each	130,000	130,000	130,000	130,000
	260,000	260,000	260,000	260,000

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 **£**	**2020** **£**
Within one year	37,272	23,901
Between two and five years	32,176	33,750
	69,448	57,651

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rent paid	
	2021	2020
	£	£
Other related parties	11,000	14,000

24 Directors' transactions

During the year, one of the directors family members purchased a vehicle from the company for £17,500, which is considered to be market value.

25 Ultimate controlling party

The company is under the control of its parent company, White Arches Caravans Limited.

The company's financial statements are consolidated into White Arches Caravans Limited. Copies of the consolidated group accounts can be obtained from Wellingborough Road, Rushden, Northamptonshire, NN10 6AY.

26 Cash (absorbed by)/generated from operations

	2021	2020
	£	£
Profit for the year after tax	923,655	380,131
Adjustments for:		
Taxation charged	208,388	89,499
Finance costs	33,173	67,176
Gain on disposal of tangible fixed assets	(18,209)	-
Depreciation and impairment of tangible fixed assets	38,216	44,302
Movements in working capital:		
(Increase)/decrease in stocks	(2,050,591)	1,921,547
Decrease in debtors	138,396	75,789
Increase/(decrease) in creditors	633,858	(1,249,974)
Cash (absorbed by)/generated from operations	(93,114)	1,328,470

P N SHARPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

27 Analysis of changes in net debt

	1 October 2020	Cash flows	30 September 2021
	£	£	£
Cash at bank and in hand	289,973	(283,674)	6,299
Bank overdrafts	-	(136,849)	(136,849)
	289,973	(420,523)	(130,550)
Borrowings excluding overdrafts	(772,707)	152,818	(619,889)
Obligations under finance leases	(27,352)	10,832	(16,520)
	(510,086)	(256,873)	(766,959)