

LOWESTOFT ELECTRICAL CO LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 NOVEMBER 2021

LOWESTOFT ELECTRICAL CO LIMITED
REGISTERED NUMBER: 01192186

BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	438,364	368,130
		<u>438,364</u>	<u>368,130</u>
Current assets			
Stocks		77,593	15,715
Debtors: amounts falling due within one year	5	972,299	1,664,630
Bank and cash balances		92	92
		<u>1,049,984</u>	<u>1,680,437</u>
Creditors: amounts falling due within one year	6	(1,324,761)	(1,818,374)
Net current liabilities		<u>(274,777)</u>	<u>(137,937)</u>
Total assets less current liabilities		<u>163,587</u>	<u>230,193</u>
Creditors: amounts falling due after more than one year	7	(161,037)	(195,192)
Net assets		<u><u>2,550</u></u>	<u><u>35,001</u></u>
Capital and reserves			
Called up share capital		5,000	5,000
Revaluation reserve		174,260	103,260
Capital redemption reserve		5,005	5,005
Profit and loss account		(181,715)	(78,264)
		<u><u>2,550</u></u>	<u><u>35,001</u></u>

LOWESTOFT ELECTRICAL CO LIMITED
REGISTERED NUMBER: 01192186

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2021

The director considers 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 director acknowledges his 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 26 August 2022.

.....
K D Clarke
Director

The notes on pages 3 to 9 form part of these financial statements.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

1. General information

Lowestoft Electrical Co Limited is a private company limited by shares and incorporated in England and Wales, registration number 01192186. The registered office address is Service House, Wildes Street, Lowestoft, Suffolk, NR32 1XH.

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 financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the ongoing issues caused by the wider economy and its potential impact on the Company. The Directors have considered future trading expectations, the current financial position of the Company, and other factors such as the range of measures the Directors have available to mitigate ongoing costs should they need to.

Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

The directors are also exploring the possibility of selling the company's freehold property which would release cash for working capital purposes.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover 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 turnover 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.

2.4 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.

2.5 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.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.6 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.

2.7 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, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Motor vehicles	-	25%
Fixtures and fittings	-	10%

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.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 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.

2.11 Cash and cash equivalents

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

2.12 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.

2.13 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.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**3. Employees**

The average monthly number of employees, including directors, during the year was 15 (2020 - 17).

4. Tangible fixed assets

	Freehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 December 2020	345,000	81,282	37,169	463,451
Additions	-	15,320	750	16,070
Revaluations	71,000	-	-	71,000
At 30 November 2021	<u>416,000</u>	<u>96,602</u>	<u>37,919</u>	<u>550,521</u>
Depreciation				
At 1 December 2020	4,000	55,438	35,883	95,321
Charge for the year on owned assets	2,000	14,156	680	16,836
At 30 November 2021	<u>6,000</u>	<u>69,594</u>	<u>36,563</u>	<u>112,157</u>
Net book value				
At 30 November 2021	<u>410,000</u>	<u>27,008</u>	<u>1,356</u>	<u>438,364</u>
At 30 November 2020	<u>341,000</u>	<u>25,844</u>	<u>1,286</u>	<u>368,130</u>

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

	2021 £	2020 £
Motor vehicles	27,008	24,865
	<u>27,008</u>	<u>24,865</u>

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

5. Debtors

	2021	2020
	£	£
Trade debtors	696,899	1,401,210
Amounts owed from related parties	132,908	177,570
Other debtors	86,360	55,834
Deferred taxation	56,132	30,016
	<u>972,299</u>	<u>1,664,630</u>

6. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	116,773	189,620
Bank loans	40,000	50,507
Payments received on account	53,870	139,265
Trade creditors	359,677	269,929
Amounts due to related parties	732,157	1,128,644
Other taxation and social security	-	23,157
Obligations under finance lease and hire purchase contracts	12,647	13,058
Other creditors	9,637	4,193
	<u>1,324,761</u>	<u>1,818,374</u>

The bank loan and overdraft are secured by fixed and floating charges over company assets. Obligations under hire purchase and finance leases are secured on the relevant assets.

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

	2021	2020
	£	£
Bank loans	140,000	180,000
Net obligations under finance leases and hire purchase contracts	21,037	15,192
	<u>161,037</u>	<u>195,192</u>

Obligations under hire purchase and finance leases are secured on the relevant assets. No amounts fall due after more than five years.

LOWESTOFT ELECTRICAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	40,000	50,507
	<u>40,000</u>	<u>50,507</u>
Amounts falling due 1-2 years		
Bank loans	140,000	180,000
	<u>140,000</u>	<u>180,000</u>
	<u><u>180,000</u></u>	<u><u>230,507</u></u>

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	12,647	13,059
Between 1-5 years	21,037	15,192
	<u>33,684</u>	<u>28,251</u>

10. 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 £10,812 (2020 - £10,172). Contributions totalling £1,551 (2020 - £1,459) were payable to the fund at the balance sheet date and are included in creditors.

