

Company registration number 06749160 (England and Wales)

HARBOROUGH TOWN TRADING LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

HARBOROUGH TOWN TRADING LIMITED

COMPANY INFORMATION

Directors	Mr L C Jones Mr A K Winston Mr M S Dougan Ms S J Brewin
Secretary	Mr M S Dougan
Company number	06749160
Registered office	Bowden House 36 Northampton Road Market Harborough Leicestershire LE16 9HE
Accountants	Berry Accountants Ltd Bowden House 36 Northampton Road Market Harborough Leicestershire LE16 9HE
Business address	124 Northampton Road Market Harborough Leicestershire LE16 9HF

HARBOROUGH TOWN TRADING LIMITED

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HARBOROUGH TOWN TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the company continued to be that of a football club. Profits generated by the company from its bar and hire activities are donated to its parent charity company and or Harborough Town FC Ltd.

Fair review of the business

The income account for the year ended 31 May 2022 is presented on page 4.

Overall turnover increased in the year to £314,525 (2021 - £158,917). The impact of government restrictions imposed due to COVID-19 saw falls in bar sales, function room hire, all weather pitch hire and sponsorship income in 2021.

Gross profits also increased to £146,931 (2021 - £94,145).

Furlough claims received in 2021 amounted to £10,073 are reported in other operating income.

Overall Administration expenses increased by £38,745 and they included the following costs.

Repairs and Renewals to the property at a total of £20,044 (2021- £14,332).

Charitable donations of £20,000 (2021 - £20,000) were made to Harborough Town Community Trust along with £27,540 (2021- £12,000) to Harborough Town FC Limited.

The company is committed to pay Harborough Town Community Trust £10,000 per annum for the use of the new 4G all weather pitch and in the current year the rent charge was £10,000 (2021 - £10,000).

The profits for the year before the tax and charitable donations were £48,554 (2021 - £33,296).

Viewing the company's net asset position on the balance sheet on page 5 shows that reserves have increased by £822. The stock reflects shop stock with the bar stocks of beer, wines and spirits. The trade debtors remain recoverable in full and no bad debts were suffered during the year. Cash balances decreased in the year by £9,578, as the directors strengthened the balance sheet by investing in capital assets to maintain and improve the club.

Although the impact of COVID-19 and the restrictions imposed by the government caused severe reductions in turnover, the directors took advantage of all available support, the club has continued to generate profits and support its charitable parent throughout a very difficult trading period.

The directors will also continue to assess the list of capital spend that is required to maintain and improve the club, ensuring health and safety matters are prioritised.

Directors

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

Mr L C Jones

Mr A K Winston

Mr M S Dougan

Ms S J Brewin

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

HARBOROUGH TOWN TRADING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

On behalf of the board



Ms S J Brewin

Director

23 January 2023

HARBOROUGH TOWN TRADING LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF HARBOROUGH TOWN TRADING LIMITED FOR THE YEAR ENDED 31 MAY 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Harborough Town Trading Limited for the year ended 31 May 2022 set out on pages 4 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>

This report is made solely to the Board of Directors of Harborough Town Trading Limited, as a body, in accordance with the terms of our engagement letter dated 18 November 2022. Our work has been undertaken solely to prepare for your approval the financial statements of Harborough Town Trading Limited and state those matters that we have agreed to state to the Board of Directors of Harborough Town Trading Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harborough Town Trading Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Harborough Town Trading Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Harborough Town Trading Limited. You consider that Harborough Town Trading Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Harborough Town Trading Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Berry Accountants Ltd

Chartered Accountants

23 January 2023

Bowden House
36 Northampton Road
Market Harborough
Leicestershire
LE16 9HE

HARBOROUGH TOWN TRADING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Turnover		314,525	158,917
Cost of sales		(167,594)	(64,772)
Gross profit		146,931	94,145
Administrative expenses		(146,299)	(107,554)
Other operating income		2,354	15,143
Operating profit		2,986	1,734
Interest receivable and similar income		2	4
Interest payable and similar expenses		(1,974)	(442)
Profit before taxation		1,014	1,296
Tax on profit	4	(192)	(246)
Profit for the financial year		822	1,050

The income statement has been prepared on the basis that all operations are continuing operations.

HARBOROUGH TOWN TRADING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		63,780		22,330
Current assets					
Stocks		3,250		3,250	
Debtors	6	16,365		11,576	
Cash at bank and in hand		35,211		44,789	
		<u>54,826</u>		<u>59,615</u>	
Creditors: amounts falling due within one year	7	<u>(80,060)</u>		<u>(50,072)</u>	
Net current (liabilities)/assets			<u>(25,234)</u>		<u>9,543</u>
Total assets less current liabilities			38,546		31,873
Creditors: amounts falling due after more than one year	8		(29,411)		(23,752)
Provisions for liabilities			<u>(2,125)</u>		<u>(1,933)</u>
Net assets			<u>7,010</u>		<u>6,188</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>7,009</u>		<u>6,187</u>
Total equity			<u>7,010</u>		<u>6,188</u>

For the financial year ended 31 May 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

HARBOROUGH TOWN TRADING LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MAY 2022

The financial statements were approved by the board of directors and authorised for issue on 23 January 2023 and are signed on its behalf by:



Ms S J Brewin
Director

Company Registration No. 06749160

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

Harborough Town Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bowden House, 36 Northampton Road, Market Harborough, Leicestershire, LE16 9HE.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a small company. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Harborough Town Trading Limited is a wholly owned subsidiary of Harborough Town Community Trust and the results of Harborough Town Trading Limited are not included in the financial statements of Harborough Town Community Trust. Both the company and the group qualify as small and are entitled to exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts.

1.2 Going concern

Management has considered events and conditions after the year end and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. Assets, liabilities and liquidity have not significantly been affected by current economic conditions and do not require additional disclosure in the financial statements, management has determined that the cost of living crisis does not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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 goods relates to bar and catering sales. Revenue is recognised on a receipts basis.

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Revenue from the hire of property including pitches is recognised at the date of usage.

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:

Plant and machinery	25% reducing balance
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Computer equipment	25% reducing balance
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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 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct purchase cost of goods purchased for resale.

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.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Equity instruments

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 Retirement benefits

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

1.12 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 statement of financial position 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.

1.13 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.

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2022 Number	2021 Number
Total	17	14

4 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	192	246

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 2021	49,322
Additions	62,704
At 31 May 2022	112,026
Depreciation and impairment	
At 1 June 2021	26,992
Depreciation charged in the year	21,254
At 31 May 2022	48,246
Carrying amount	
At 31 May 2022	63,780
At 31 May 2021	22,330

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

5 Tangible fixed assets (Continued)

Plant and machinery with a carrying amount of £20,418 (2021 - £5,273) 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.

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	14,369	7,096
Corporation tax recoverable	28	-
Other debtors	1,968	4,480
	<u>16,365</u>	<u>11,576</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	4,787	5,681
Trade creditors	2,217	7,355
Amounts owed to group undertakings	39,815	29,690
Taxation and social security	5,102	-
Other creditors	28,139	7,346
	<u>80,060</u>	<u>50,072</u>

8 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	15,094	19,319
Other creditors	14,317	4,433
	<u>29,411</u>	<u>23,752</u>

9 Operating lease commitments

Lessee

Harborough Town Trading Limited have entered a lease agreement with Harborough Town Community Trust to lease the 4G AWP for £10,000 p.a.

10 Related party transactions

Transactions with related parties

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

HARBOROUGH TOWN TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

10 Related party transactions

(Continued)

During the year the company agreed a donation of £20,000 (2021 - £20,000) to Harborough Town Community Trust its parent company.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Harborough Town Community Trust	39,815	29,689
	<u>39,815</u>	<u>29,689</u>

11 Parent company

The company is controlled by Harborough Town Community Trust.

HARBOROUGH TOWN TRADING LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2022

**THE FOLLOWING PAGES
DO NOT FORM PART OF THE STATUTORY ACCOUNTS**

HARBOROUGH TOWN TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2022

		2022		2021
	£	£	£	£
Turnover				
Income from hire of function rooms		10,491		1,413
Income from hire of AWP		97,875		67,962
Sponsorship income		24,878		28,828
Grant income		-		30,622
Income from bars & catering		159,942		22,747
Shop income		12,613		4,443
One off events		4,976		352
Donations received		3,750		2,550
		<hr/>		<hr/>
		314,525		158,917
Cost of sales				
AWP Maintenance	8,162		4,305	
	<hr/>		<hr/>	
<i>Purchases and other direct costs</i>				
Kit, equipment & other costs	35,217		22,229	
Beers, wines and spirits	76,788		12,212	
Sundries for functions	2,826		-	
Staff wages (Bar)	33,440		25,291	
Staff Wages (Cafe)	14,776		-	
Staff welfare	606		735	
Profit or loss on sale of tangible assets (non exceptional)	(4,221)		-	
	<hr/>		<hr/>	
Total purchases and other direct costs	159,432		60,467	
	<hr/>		<hr/>	
Total cost of sales		(167,594)		(64,772)
		<hr/>		<hr/>
Gross profit	46.72%	146,931	59.24%	94,145
Other operating income				
Coronavirus job retention scheme grant	-		10,073	
Sundry income	2,354		5,070	
	<hr/>		<hr/>	
		2,354		15,143

HARBOROUGH TOWN TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

	£	2022 £	£	2021 £
Administrative expenses				
Wages and salaries	2,216		6,037	
Social security costs	720		209	
Staff pension costs defined contribution	-		13	
Rent re operating leases	10,000		10,000	
Water rates	1,674		(459)	
Power, light and heat	18,708		18,485	
Property repairs and maintenance	20,044		14,332	
Equipment repairs	1,320		2,162	
Computer running costs	2,149		1,549	
Travelling expenses	4,724		1,191	
Professional subscriptions	115		843	
Legal and professional fees	5,115		7,450	
Charitable donations	47,540		32,000	
Bank charges	3,707		3,143	
Printing, stationery and telephone	5,867		3,417	
Advertising	1,066		429	
Website costs	-		350	
Sundry expenses	2,986		5,776	
Disallowed input VAT	(2,906)		(5,052)	
Depreciation	21,254		5,679	
		(146,299)		(107,554)
Operating profit		2,986		1,734
Interest receivable and similar income				
Bank interest received	2		4	
		2		4
Interest payable and similar expenses				
Bank interest on loans and overdrafts	561		-	
Hire purchase interest payable	1,413		442	
		(1,974)		(442)
Profit before taxation	0.32%	1,014	0.82%	1,296