

System 6 Kitchens Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 January 2017

Registration number: 01902921

System 6 Kitchens Limited

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System 6 Kitchens Limited

Company Information

Directors	Mr I Foster
	Mr N Jones
	Mr T Dalton
Registered office	4 Christow Road
	Marsh Barton
	Exeter
	EX2 8QP
Accountants	Francis Clark LLP
	Vantage Point
	Woodwater Park
	Pynes Hill
	Exeter
	EX2 5FD

System 6 Kitchens Limited

Balance Sheet

31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	63,932	31,921
Tangible assets	<u>5</u>	2,487,205	1,695,607
Investment property	<u>6</u>	976,913	975,663
		<u>3,528,050</u>	<u>2,703,191</u>
Current assets			
Stocks	<u>7</u>	631,778	511,000
Debtors	<u>8</u>	827,069	810,173
Cash at bank and in hand		19,029	2,875
		<u>1,477,876</u>	<u>1,324,048</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(1,443,036)</u>	<u>(1,013,150)</u>
Net current assets		<u>34,840</u>	<u>310,898</u>
Total assets less current liabilities		3,562,890	3,014,089
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(1,329,013)</u>	<u>(906,656)</u>
Provisions for liabilities		<u>(81,300)</u>	<u>(35,000)</u>
Net assets		<u>2,152,577</u>	<u>2,072,433</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>2,152,477</u>	<u>2,072,333</u>
Total equity		<u>2,152,577</u>	<u>2,072,433</u>

The notes on pages 4 to 11 form an integral part of these financial statements.

System 6 Kitchens Limited

Balance Sheet

31 January 2017

For the financial year ending 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 5 September 2017 and signed on its behalf by:

.....

Mr N Jones

Director

Company Registration Number: 01902921

The notes on pages 4 to 11 form an integral part of these financial statements.

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

4 Christow Road

Marsh Barton

Exeter

EX2 8QP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures from FRS102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Change in basis of accounting

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 1 February 2016. There is no material impact on the reported financial position and financial performance as a result of this transition.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Other property, plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance
Furniture, fittings and equipment	25% straight line or reducing balance

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. Where significant changes in fair value are expected an external valuer will be engaged. Changes in fair value are recognised in profit or loss.

Intangible assets

Intangible assets are stated in the statement of financial position at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Other intangible assets	25% reducing balance

Stocks

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

The cost of finished goods and work in progress comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

Financial Instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Loans to directors;
- Bank loans;
- Cash and bank balances; and
- Long term creditors.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 52 (2016 - 48).

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 1 February 2016	74,056	74,056
Additions	42,523	42,523
At 31 January 2017	116,579	116,579
Amortisation		
At 1 February 2016	42,135	42,135
Amortisation charge	10,512	10,512
At 31 January 2017	52,647	52,647
Carrying amount		
At 31 January 2017	63,932	63,932
At 31 January 2016	31,921	31,921

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 February 2016	1,717,562	189,918	159,906	1,152,759	3,220,145
Additions	511,592	26,918	111,298	297,075	946,883
Disposals	-	-	(12,358)	-	(12,358)
At 31 January 2017	2,229,154	216,836	258,846	1,449,834	4,154,670
Depreciation					
At 1 February 2016	359,104	178,210	104,876	882,348	1,524,538
Charge for the year	40,567	7,170	21,307	75,685	144,729
Eliminated on disposal	-	-	(1,802)	-	(1,802)
At 31 January 2017	399,671	185,380	124,381	958,033	1,667,465
Carrying amount					
At 31 January 2017	1,829,483	31,456	134,465	491,801	2,487,205
At 31 January 2016	1,358,458	11,708	55,030	270,411	1,695,607

Included within the net book value of land and buildings above is £1,829,483 (2016 - £1,358,458) in respect of freehold land and buildings.

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

6 Investment properties

	2017 £
At 1 February	975,663
Additions	<u>1,250</u>
At 31 January	<u><u>976,913</u></u>

There has been no valuation of investment property by an independent valuer.

7 Stocks

	2017 £	2016 £
Other inventories	<u>631,778</u>	<u>511,000</u>

8 Debtors

	2017 £	2016 £
Trade debtors	599,208	492,880
Other debtors	183,784	268,104
Prepayments	<u>44,077</u>	<u>49,189</u>
	<u><u>827,069</u></u>	<u><u>810,173</u></u>

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

9 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	<u>10</u>	381,106	176,958
Trade creditors		734,806	508,878
Social security and other taxes		41,409	135,439
Other creditors		20,727	-
Accrued expenses		92,981	76,390
Corporation tax		46,054	63,100
Deferred income		125,953	52,385
		<u>1,443,036</u>	<u>1,013,150</u>
Due after one year			
Loans and borrowings	<u>10</u>	<u>1,329,013</u>	<u>906,656</u>
		2017 £	2016 £
After more than five years by instalments		717,518	519,496

10 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	979,926	692,662
Finance lease liabilities and hire purchase contracts (secured on assets concerned)	<u>349,087</u>	<u>213,994</u>
	<u>1,329,013</u>	<u>906,656</u>
	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	61,003	34,711
Bank overdrafts	182,889	77,981
Finance lease liabilities and hire purchase contracts (secured on assets concerned)	<u>137,214</u>	<u>64,266</u>
	<u>381,106</u>	<u>176,958</u>

The bank loans are secured over the property of the company. The bank overdraft limit of £300,000 is secured by

charge over the company's assets.

System 6 Kitchens Limited

Notes to the Financial Statements

Year Ended 31 January 2017

11 Related party transactions

Advances to directors

	At 1 February 2016 £	Advances to director £	Repayments by director £	At 31 January 2017 £
2017				
Mr I Foster				
Directors Current Account	(233,072)	(40,145)	120,000	(153,216)

	At 1 February 2015 £	Advances to director £	Repayments by director £	At 31 January 2016 £
2016				
Mr I Foster				
Directors Current Account	(118,856)	(208,822)	94,606	(233,072)

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.