

COMPANY REGISTRATION NUMBER: 06815821

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

31 July 2017

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2017

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ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

R W J Brown
P Kemp
M Wrigglesworth

Registered office

Hanover Buildings
11-13 Hanover Street
Liverpool
Merseyside
L1 3DN

Accountants

ERC Accountants & Business Advisers Limited
Chartered accountant
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

YEAR ENDED 31 JULY 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of ERC Accountants & Business Advisers Limited for the year ended 31 July 2017, which comprise the statement of financial position and the related notes 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 www.icaew.com/en/membership/regulations-standards-and-guidance. This report is made solely to the Board of Directors of ERC Accountants & Business Advisers Limited, as a body, in accordance with the terms of our engagement letter dated 1 August 2017. Our work has been undertaken solely to prepare for your approval the financial statements of ERC Accountants & Business Advisers Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ERC Accountants & Business Advisers Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that ERC Accountants & Business Advisers 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 ERC Accountants & Business Advisers Limited. You consider that ERC Accountants & Business Advisers 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 ERC Accountants & Business Advisers 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.

ERC Accountants & Business Advisers Limited Chartered accountant

Hanover Buildings 11-13 Hanover Street Liverpool L1 3DN

27 April 2018

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED
STATEMENT OF FINANCIAL POSITION
31 July 2017

		2017	2016
	Note	£	£
FIXED ASSETS			
Intangible assets	6	1,490,402	1,490,402
Tangible assets	7	797,230	805,705
		<u>2,287,632</u>	<u>2,296,107</u>
CURRENT ASSETS			
Stocks		98,250	46,325
Debtors	8	311,527	296,883
Cash at bank and in hand		48	91
		<u>409,825</u>	<u>343,299</u>
CREDITORS: Amounts falling due within one year	9	<u>1,331,561</u>	<u>1,452,925</u>
NET CURRENT LIABILITIES			<u>1,109,626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,365,896</u>	<u>1,186,481</u>
CREDITORS: Amounts falling due after more than one year	10		381,681
PROVISIONS			
Taxation including deferred tax		(5,458)	(6,164)
NET ASSETS		<u>1,055,834</u>	<u>810,964</u>

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED**STATEMENT OF FINANCIAL POSITION (continued)****31 July 2017**

		2017	2016
	Note	£	£
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		1,055,734	810,864
SHAREHOLDERS FUNDS			
		1,055,834	810,964

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 July 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 financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 27 April 2018 , and are signed on behalf of the board by:

M Wrigglesworth

Director

Company registration number: 06815821

ERC ACCOUNTANTS & BUSINESS ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hanover Buildings, 11-13 Hanover Street, Liverpool, Merseyside, L1 3DN.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Revenue recognition

Turnover is the total amount estimated to be receivable for services rendered and disbursements charged to clients during the period, excluding Value Added Tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract and reflects the contract activity during the year having regard to the stage of completion of each contract and the relative uncertainty of predicting ultimate profitability on long term assignments.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	over the term of the lease
Fixtures and fittings	-	15-33% reducing balance

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. An element of profit is included in the valuation of work in progress, in line with UITF 40.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 20 (2016: 20).

5. TAX ON PROFIT

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	71,933	67,049
Deferred tax:		
Origination and reversal of timing differences	706	1,744
	-----	-----
Tax on profit	72,639	68,793
	-----	-----

6. INTANGIBLE ASSETS

	Goodwill
	£
Cost	
At 1 August 2016 and 31 July 2017	1,490,402

Amortisation	
At 1 August 2016 and 31 July 2017	—

Carrying amount	
At 31 July 2017	1,490,402

At 31 July 2016	1,490,402

7. TANGIBLE ASSETS

	Land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 August 2016	818,739	39,282	858,021
Additions	—	296	296
	-----	-----	-----
At 31 July 2017	818,739	39,578	858,317
	-----	-----	-----
Depreciation			
At 1 August 2016	28,210	24,106	52,316
Charge for the year	5,608	3,163	8,771
	-----	-----	-----
At 31 July 2017	33,818	27,269	61,087
	-----	-----	-----
Carrying amount			
At 31 July 2017	784,921	12,309	797,230
	-----	-----	-----
At 31 July 2016	790,529	15,176	805,705
	-----	-----	-----

8. DEBTORS

	2017	2016
	£	£
Trade debtors	218,322	219,858
Other debtors	93,205	77,025
	-----	-----
	311,527	296,883
	-----	-----

9. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	195,218	138,505
Trade creditors	66,403	66,457
Corporation tax	71,501	110,890
Social security and other taxes	72,582	76,211
Other creditors	925,857	1,060,862
	-----	-----
	1,331,561	1,452,925
	-----	-----

10. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	315,520	381,681
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Included within creditors: amounts falling due after more than one year is an amount of £18,535 (2016: £97,974) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

No director received advances, credits or guarantees during the current or previous accounting periods.

12. RELATED PARTY TRANSACTIONS

The following related party transactions were undertaken during the year: A director and shareholder , withdrew amounts totalling £81,847 and introduced amounts totalling £31,047 (2016: withdrew amounts totalling £60,230 and introduced amounts totalling £52,783). At the balance sheet date the amount payable to the director was £ 120,086 (2016: £170,886). A director and shareholder , withdrew amounts totalling £62,400 and introduced amounts totalling £20,097 (2016: withdrew amounts totalling £59,809 and introduced amounts totalling £48,932). At the balance sheet date the amount payable to the director was £ 161,858 (2016: £204,161). A director and shareholder , withdrew amounts totalling £82,649 and introduced amounts totalling £50,467 (2016: withdrew amounts totalling £68,907 and introduced amounts totalling £66,270). At the balance sheet date the amount payable to the director was £ 290,193 (2016: £322,375). A company under common control , repaid amounts of £52,868 (2016: repaid amounts of £57,778). As at the year end 31 July 2017 the balance payable was £ 234,558 (2016: Payable £287,426). A company under common control , repaid amounts of £336 (2016: repaid amounts of £547). As at the year end 31 July 2017 the balance payable was £ 3,948 (2016: payable £4,284). A company under common control , loans amounts totalling £11,700 (2016: paid amounts totalling £15,450). As at the year end 31 July 2017 the balance payable £ 19,240 (2016: payable £7,540). The aggregate remuneration paid to key management personnel for the year was £24,180 (2016: £24,180). Dividends were paid to the directors in respect of their shareholdings totalling £42,144 (2016: £75,668). No further transactions with related parties were undertaken such as are required to be disclosed in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

13. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2015.

Reconciliation of equity

	1 August 2015			31 July 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	2,300,353	–	2,300,353	2,296,107	–	2,296,107
Current assets	367,570	–	367,570	343,299	–	343,299
Creditors: amounts falling due within one year	(1,565,911)	–	(1,565,911)	(1,452,925)	–	(1,452,925)
Net current liabilities	(1,198,341)	–	(1,198,341)	(1,109,626)	–	(1,109,626)
Total assets less current liabilities	1,102,012	–	1,102,012	1,186,481	–	1,186,481
Creditors: amounts falling due after more than one year	(490,831)	–	(490,831)	(381,681)	–	(381,681)
Provisions	–	7,908	7,908	–	6,164	6,164
Net assets	611,181	7,908	619,089	804,800	6,164	810,964
Capital and reserves	611,181	7,908	619,089	804,800	6,164	810,964

Deferred tax FRS 102a requires deferred tax to be recognised on all timing differences. This has resulted in an increase in the deferred tax asset on transition of £7,908. In the year to 31 July 2016 the deferred tax charge reduced by £1,744 with a corresponding decrease to the deferred tax asset.

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.