

HAMMOND COMMERCIAL SERVICES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

PAGES FOR FILING WITH THE REGISTRAR



Company No. 07778564 (England and Wales)

HAMMOND COMMERCIAL SERVICES LIMITED

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HAMMOND COMMERCIAL SERVICES LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2017

	Notes	<u>2017</u> £	<u>2016</u> £
Fixed assets			
Intangible assets	4	2,000	2,500
Tangible assets	5	<u>3,574</u>	<u>4,468</u>
		<u>5,574</u>	<u>6,968</u>
Current assets			
Stock		39,714	38,560
Debtors	6	94,265	101,594
Cash at bank and in hand		<u>3,785</u>	<u>13,660</u>
		137,764	153,814
Creditors: amounts falling due within one year	7	<u>20,249</u>	<u>27,908</u>
Net current assets (liabilities)		<u>117,515</u>	<u>125,906</u>
Total assets less current liabilities		123,089	132,874
Deferred taxation		<u>715</u>	<u>238</u>
		<u>£122,374</u>	<u>£132,636</u>
Capital and reserves			
Share capital	8	100	100
Profit and loss account		<u>122,274</u>	<u>132,536</u>
Shareholders' funds		<u>£122,374</u>	<u>£132,636</u>

The directors have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

The financial statements were approved and signed by a director on 12/03/18

N F Hammond
Director



HAMMOND COMMERCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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. 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.

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.

1.4 Amortisation

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

Franchise fee over 10 years

1.5 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 to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings 15 % per annum reducing balance basis

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 assets, and is credited or charged to the profit or loss.

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1 Accounting policies

(continued)

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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete the sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. 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.

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 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 assets 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.

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1 Accounting policies

(continued)

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 its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans that are classified as debt, 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 rate of interest 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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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 current payable and deferred tax.

Current tax

The current tax payable is based on the 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 and 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 the tax rates that have been enacted by the reporting date end.

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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 initial recognition of other assets and liabilities in a transaction that effects 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 realised. Deferred tax is charged or credited in the profit and loss account, except when it related 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 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, 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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Employees

The average monthly number of persons, including directors, employed by the company during the period was 2.

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3. Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year were as follows:

	<u>2017</u>	<u>2016</u>
	£	£
UK Corporation Tax	4,044	14,396
Transfer to deferred taxation	<u>477</u>	<u>-</u>
	<u>£4,521</u>	<u>£14,757</u>

4 Intangible fixed assets

	<u>Franchise fee</u>
	£
Cost	
At 1 September 2016	5,000
Additions	<u>-</u>
At 31 August 2017	<u>5,000</u>
Amortisation	
At 1 September 2016	2,500
Provided	<u>500</u>
At 31 August 2017	<u>3,000</u>
Net book value	
At 31 August 2017	<u>£2,000</u>
At 31 August 2016	<u>£2,500</u>

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5 Tangible fixed assets

	<u>Fixtures & Fittings</u> £	<u>Total</u> £
Cost		
At 1 September 2016	8,976	8,976
Additions	-	-
Disposals	<u>-</u>	<u>-</u>
At 31 August 2017	<u>8,976</u>	<u>8,976</u>
Depreciation		
At 1 September 2016	4,508	4,508
On disposals	-	-
Charge for the year	<u>894</u>	<u>894</u>
At 31 August 2017	<u>5,402</u>	<u>5,402</u>
Net book value		
At 31 August 2017	<u>£3,574</u>	<u>£3,574</u>
At 31 August 2016	<u>£4,468</u>	<u>£4,468</u>

6. Debtors

	<u>2017</u> £	<u>2016</u> £
Due within one year		
Trade debtors	94,265	101,594
Other debtors	<u>-</u>	<u>-</u>
	<u>£94,265</u>	<u>£101,594</u>

7. Creditors: amounts falling due within one year

	<u>2017</u> £	<u>2016</u> £
Trade creditors	11,393	7,655
Corporation tax	4,044	14,396
Other creditors	<u>4,812</u>	<u>5,857</u>
	<u>£20,249</u>	<u>£27,908</u>

Included within other creditors is an amount of £2,144 (2016 - £2,995) relating to social security and other taxes.

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8. Share capital

	<u>2017</u> £	<u>2016</u> £
Authorised		
Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>