Registered number: 11859310

SOUTH DIGITAL LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

South Digital Ltd
Unaudited Financial Statements
For The Year Ended 31 May 2022

Contents

	Page
Balance Sheet	1—2
Notes to the Financial Statements	3—6

South Digital Ltd
Balance Sheet
As at 31 May 2022

Registered number: 11859310

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible Assets	**3**		2,761		1,761
			2,761		1,761
CURRENT ASSETS					
Debtors	**4**	3,331		4,728	
Cash at bank and in hand		3,185		948	
		6,516		5,676	
Creditors: Amounts Falling Due Within One Year	**5**	(17,285)		(21,852)	
NET CURRENT ASSETS (LIABILITIES)			(10,769)		(16,176)
TOTAL ASSETS LESS CURRENT LIABILITIES			(8,008)		(14,415)
Creditors: Amounts Falling Due After More Than One Year	**6**		(3,937)		(5,151)
PROVISIONS FOR LIABILITIES					
Deferred Taxation			(96)		-
NET LIABILITIES			(12,041)		(19,566)
CAPITAL AND RESERVES					
Called up share capital	**7**		2		2
Profit and Loss Account			(12,043)		(19,568)
SHAREHOLDERS' FUNDS			(12,041)		(19,566)

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

The members have not required the company to obtain an audit in accordance with section 476 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 accounts.

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

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Z Santer

Director
29/11/2022

Miss E Hill

Director

The notes on pages 3 to 6 form part of these financial statements.

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Going Concern Disclosure

The company has been materially and adversely affected by the effects of the Covid-19 pandemic. Demand for the company's services has reduced due to local lockdown restriction. Operating results have also been adversely affected. However, the directors do believe that the company continues to be a going concern and will support the continuing trade of the business for the foreseeable future.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	33% Straight Line

1.5. Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.
The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.
Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

1.8. Government Grant

The government grant received under the furlough scheme resulting from Covid-19 has been recognised on an accruals basis to the period which it relates and disclosed as separate grant income in the profit and loss.

1.9. Borrowings

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

1.10. Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 2 (2021: 2)

3. **Tangible Assets**

	Plant & Machinery etc.
	£
Cost	
As at 1 June 2021	4,162
Additions	3,581
As at 31 May 2022	7,743
Depreciation	
As at 1 June 2021	2,401
Provided during the period	2,581
As at 31 May 2022	4,982
Net Book Value	
As at 31 May 2022	2,761
As at 1 June 2021	1,761

4. **Debtors**

	2022	2021
	£	£
Due within one year		
Trade debtors	3,222	4,395
Other debtors	109	333
	3,331	4,728

5. **Creditors: Amounts Falling Due Within One Year**

	2022	2021
	£	£
Trade creditors	2,325	52
Bank loans and overdrafts	1,213	1,165
Other creditors	10,756	20,385
Taxation and social security	2,991	250
	17,285	21,852

6. **Creditors: Amounts Falling Due After More Than One Year**

	2022	2021
	£	£
Bank loans	3,937	5,151
	3,937	5,151

Bounce Back Loan is denominated in Sterling with a nominal interest rate of 2.5% and the final instalment is due on 5 May 2026. The carrying amount at the year end is £5,150 (2021 -£6,316).

7. Share Capital

	2022	2021
Allotted, Called up and fully paid	2	2

8. General Information

South Digital Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 11859310 . The registered office is C/O Smooth Accounting Limited, Building 1000 Lakeside North Harbour, Western Road, Portsmouth, PO6 3EN.

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.