

Company registration number: **12345678**

Demo FRS 102 Section 1A
UNAUDITED FINANCIAL STATEMENTS
for the year ended 31 December 2016

Sally 5, Chartered Accountant

1 Number Street, Numberville, Cheshire, NU1 3BR, United Kingdom

Demo FRS 102 Section 1A

Unaudited Financial Statements

Year ended 31 December 2016

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Officers and Professional Advisers

Year ended 31 December 2016

Directors

Mrs Janet Jensen
Miss Dianna Denniston (appointed 01/07/2016)
Mr Colin Makin
Ms Cheryl Shaw (retired 01/07/2016)

Company secretary

Mrs Janet Jensen

Registered office

1A Section Road
Salford
Manchester
M1 1AA
United Kingdom

Accountant

Sally 5
Chartered Accountant
1 Number Street
Numberville
Cheshire
NU1 3BR
United Kingdom

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Directors Report

Year ended 31 December 2016

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2016.

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year. It is anticipated that the company will remain dormant for the foreseeable future.

DIRECTORS

The directors who served the company during the year were as follows:

Mrs Janet Jensen

Miss Dianna Denniston (appointed 01/07/2016)

Mr Colin Makin

Ms Cheryl Shaw (retired 01/07/2016)

SMALL COMPANY PROVISIONS

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

This report was approved by the board of directors on 1 June 2017 and signed on behalf of the board by:

Mrs Janet Jensen
Director

Miss Dianna Denniston
Director

Mr Colin Makin
Director

Mrs Janet Jensen
Company secretary

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Chartered Accountant's report to the board of directors on the preparation of the unaudited statutory financial statements of Demo FRS 102 Section 1A for the year ended 31 December 2016

Year ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, I have prepared for your approval the financial statements of Demo FRS 102 Section 1A for the year ended 31 December 2016 which comprise the income statement, statement of financial position and related notes from the company's accounting records and from information and explanations you have given me.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), I am subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the Board of Directors of Demo FRS 102 Section 1A, as a body, in accordance with the terms of my engagement letter dated 1 July 2016. My work has been undertaken solely to prepare for your approval the financial statements of Demo FRS 102 Section 1A and state those matters that I have agreed to state to the Board of Directors of Demo FRS 102 Section 1A, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Demo FRS 102 Section 1A and its Board of Directors, as a body, for my work or for this report.

It is your duty to ensure that Demo FRS 102 Section 1A 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 Demo FRS 102 Section 1A. You consider that Demo FRS 102 Section 1A is exempt from the statutory audit requirement for the year.

I have not been instructed to carry out an audit or a review of the financial statements of Demo FRS 102 Section 1A. For this reason, I have not verified the accuracy or completeness of the accounting records or information and explanations you have given to me and I do not, therefore, express any opinion on the statutory financial statements.

Sally 5

Chartered Accountant

1 Number Street
Numberville
Cheshire
NU1 3BR
United Kingdom

Date: 1 June 2017

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Income Statement

Year ended 31 December 2016

	2016	2015
	£	£
Turnover	1,656,925	1,120,282
Cost of sales	(876,160)	(520,860)
Gross profit	780,765	599,422
Distribution costs	(130,925)	(123,360)
Administrative expenses	(498,937)	(358,514)
Other operating income	1,531	1,300
Operating profit	152,434	118,848
Other interest receivable and similar income	1,705	1,901
Interest payable and similar expenses	(21,227)	(23,677)
Profit before tax	132,912	97,072
Tax on profit	(28,914)	(26,302)
Profit after tax	103,998	70,770
Other taxes not shown above	(126)	-
Profit for the financial year	103,872	70,770

The company has no other recognised items of income or expense other than the results for the year as set out above.

No significant accounting transactions as defined by section 1169 of the Companies Act 2006 occurred in the current year.

The notes on pages 7 to 12 form part of these financial statements.

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Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	263,084	195,353
Current assets			
Stocks		11,827	19,855
Debtors	6	150,933	73,020
Cash at bank and in hand		328	61
		<u>163,088</u>	<u>92,936</u>
Creditors: amounts falling due within one year	7	(136,043)	(123,405)
Net current assets/(liabilities)		<u>27,045</u>	<u>(30,469)</u>
Total assets less current liabilities		290,129	164,884
Creditors: amounts falling due after more than one year	8	(48,822)	(27,449)
Provision for liabilities		(4,266)	(4,266)
Net assets		<u>237,041</u>	<u>133,169</u>
Capital and reserves			
Called up share capital		5,000	5,000
Share premium		12,600	12,600
Profit and loss account		219,441	115,569
Shareholders funds		<u>237,041</u>	<u>133,169</u>

For the year ending 31 December 2016, the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant 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 have been prepared 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'.

The notes on pages 7 to 12 form part of these financial statements.

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Statement of Financial Position (continued)

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 1 June 2017, and are signed on behalf of the board by:

Mrs Janet Jensen
Director

Miss Dianna Denniston
Director

Mr Colin Makin
Director

Company registration number: 12345678

The notes on pages 7 to 12 form part of these financial statements.

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Notes to the Financial Statements

Year ended 31 December 2016

1 General information

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is 1A Section Road, Salford, Manchester, M1 1AA, United Kingdom.

2 Statement of compliance

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

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

INCOME STATEMENT

The company is dormant as defined in section 1169 of the Companies Act 2006. The company incurred no significant transactions during the current year.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable for goods supplied, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

CURRENT TAX

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

TANGIBLE ASSETS

Tangible assets are initially measured at cost, and are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses or at a revalued amount.

Any tangible assets carried at a revalued amount 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 capital and reserves. However, the increase is recognised

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Notes to the Financial Statements (continued)

Year ended 31 December 2016

in profit or loss to the extent that 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 capital and reserves. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess is recognised in profit or loss.

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

Land and buildings	3% straight line
Plant and machinery	20% straight line

IMPAIRMENT

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

STOCKS

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

FINANCIAL INSTRUMENTS

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and are subsequently measured as follows: Debt instruments are subsequently measured at amortised cost and commitments to receive a loan and to make a loan to another entity are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

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Notes to the Financial Statements (continued)

Year ended 31 December 2016

All other financial instruments, including derivatives, are initially recognised at fair value, which is normally the transaction price and are subsequently measured at fair value, with any changes recognised in profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All equity instruments regardless of significance, and other financial assets that are individually significant, are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured on an undiscounted basis at the tax rates that would apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted at the statement of financial position date.

PROVISION FOR LIABILITIES

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 in finance costs in profit or loss in the period it arises.

4 Average number of employees

The average number of persons employed by the company during the year was 21 (2015: 19).

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Notes to the Financial Statements (continued)

Year ended 31 December 2016

5 Tangible assets

	Land and buildings	Plant and machinery etc.	Total
	£	£	£
Cost			
At 1 January 2016	123,460	89,866	213,326
Additions	-	89,408	89,408
Disposals	-	(9,091)	(9,091)
At 31 December 2016	<u>123,460</u>	<u>170,183</u>	<u>293,643</u>
Depreciation			
At 1 January 2016	-	17,973	17,973
Charge	3,704	17,973	21,677
Disposals	-	(9,091)	(9,091)
At 31 December 2016	<u>3,704</u>	<u>26,855</u>	<u>30,559</u>
Carrying amount			
At 31 December 2016	<u>119,756</u>	<u>143,328</u>	<u>263,084</u>
At 31 December 2015	<u>123,460</u>	<u>71,893</u>	<u>195,353</u>

6 Debtors

	2016	2015
	£	£
Trade debtors	129,779	45,907
Other debtors	21,154	27,113
	<u>150,933</u>	<u>73,020</u>

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Notes to the Financial Statements (continued)

Year ended 31 December 2016

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	67,457	47,877
Trade creditors	23,860	32,106
Taxation and social security	25,984	29,022
Other creditors	18,742	14,400
	<u>136,043</u>	<u>123,405</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the company's assets. The finance leases included in other creditors are secured on the assets concerned.

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	31,000	16,000
Other creditors	17,822	11,449
	<u>48,822</u>	<u>27,449</u>

The bank loan is secured by a fixed and floating charge over the company's assets. The finance leases included in other creditors are secured on the assets concerned. Bank loans outstanding at the year end include installments due after more than five years of £11,000 (2015 - £0).

The preference shares included in other creditors, which were issued at par, are redeemable between 31 December 2022 and 31 December 2023 at par at the option of the shareholder. Preference shares repayable in more than five years amount to £5,500 (2015 - £5,500).

9 Guarantees and other financial commitments

At 31 December 2016, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £177,935 (2015 - £78,890).

The company operated a defined contribution pension scheme, Demo Pension Scheme, for the directors and senior employees. At the statement of financial position date, unpaid contributions of £1,305 (2015 - £964) were due to the fund. They are included in other creditors.

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Notes to the Financial Statements (continued)

Year ended 31 December 2016

10 Directors advances, credit and guarantees

Included within other debtors is a loan to a director of £1,900 (2015 - £900). During the year, the amount advanced was £1,500 and the amount repaid was £500 which leaves a amount due of £1,900 this financial year. The loan is unsecured, interest free and repayable on demand.

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Detailed Income Statement

Year ended 31 December 2016

TURNOVER

	2016	2015
	£	£
Sales	1,654,516	1,096,605
Other income	2,409	23,677
	<u>1,656,925</u>	<u>1,120,282</u>

COST OF SALES

	2016	2015
	£	£
Purchases	674,592	336,463
Wages and salaries	168,000	156,894
Employers NI	32,000	26,501
Other direct costs	1,568	1,002
	<u>876,160</u>	<u>520,860</u>
Gross profit	<u>780,765</u>	<u>599,422</u>

DISTRIBUTION COSTS

	2016	2015
	£	£
Wages and salaries	108,327	101,483
Employers NI	20,000	19,856
Other distribution costs	2,598	2,021
	<u>130,925</u>	<u>123,360</u>

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Detailed Income Statement (continued)

Year ended 31 December 2016

ADMINISTRATIVE EXPENSES

	2016	2015
	£	£
Wages and salaries	355,678	273,213
Rent	12,000	12,000
Rates	600	600
Service charges	120	120
Light, heating and power	250	326
Telephone	873	-
Operating lease rentals	35,000	15,000
Bank charges	2,068	1,997
Depreciation of tangible assets	21,677	17,973
Bad debts	28,460	-
Sundry expenses	42,211	37,285
	498,937	358,514

OTHER OPERATING INCOME

	2016	2015
	£	£
Other operating income	1,531	1,300
Operating profit	152,434	118,848

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Interest on cash and cash equivalents	1,705	1,901

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Detailed Income Statement (continued)

Year ended 31 December 2016

INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest payable	21,227	23,677
Profit before tax	132,912	97,072

TAX ON PROFIT

	2016	2015
	£	£
Corporation tax charge	28,914	26,302
Profit after tax	103,998	70,770

	2016	2015
	£	£
Other taxes not shown above	126	-
Profit for the financial year	103,872	70,770