

Company Registration No. 02281764 (England and Wales)

DISCOUNT BUILDERS MERCHANTS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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DISCOUNT BUILDERS MERCHANTS LIMITED

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DISCOUNT BUILDERS MERCHANTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		288,419		258,642
Current assets					
Stocks		54,870		59,420	
Debtors	5	700,451		523,931	
Cash at bank and in hand		1,267,304		1,285,856	
		<u>2,022,625</u>		<u>1,869,207</u>	
Creditors: amounts falling due within one year	6	<u>(494,568)</u>		<u>(430,081)</u>	
Net current assets			1,528,057		1,439,126
Total assets less current liabilities			<u>1,816,476</u>		<u>1,697,768</u>
Creditors: amounts falling due after more than one year	7		(3,717)		-
Provisions for liabilities	8		<u>(24,033)</u>		<u>(18,044)</u>
Net assets			<u>1,788,726</u>		<u>1,679,724</u>
Capital and reserves					
Called up share capital	9		200		200
Profit and loss reserves			<u>1,788,526</u>		<u>1,679,524</u>
Total equity			<u>1,788,726</u>		<u>1,679,724</u>

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

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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 year 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 the director and authorised for issue on 26 September 2017

G Knowlden
Director

DISCOUNT BUILDERS MERCHANTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

Company Registration No. 02281764

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Discount Builders Merchants Limited is a private company limited by shares incorporated in England and Wales. The registered office is 46-54 High Street, Ingatestone, Essex, CM4 9DW.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Discount Builders Merchants Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 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.

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

Land and buildings Leasehold	over the term of the lease
Plant and machinery	15% on written down value
Fixtures, fittings & equipment	15% on written down value
Motor vehicles	25% on written down value

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 asset, and is credited or charged to profit or loss.

1.4 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.

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.6 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.

1.7 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 of 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 asset 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.

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 of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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 interest rate 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.

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on 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 or 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 tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2015 - 13).

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Dividends

	2016 £	2015 £
Interim paid	53,230	49,000

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2016	171,451	295,234	466,685
Additions	-	57,700	57,700
Disposals	-	(8,000)	(8,000)
At 31 December 2016	171,451	344,934	516,385
Depreciation and impairment			
At 1 January 2016	3,026	205,017	208,043
Depreciation charged in the year	172	25,952	26,124
Eliminated in respect of disposals	-	(6,201)	(6,201)
At 31 December 2016	3,198	224,768	227,966
Carrying amount			
At 31 December 2016	168,253	120,166	288,419
At 31 December 2015	168,425	90,217	258,642

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	20,125	-
	20,125	-
Depreciation charge for the year in respect of leased assets	875	-

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Debtors	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	181,128	130,762
Amounts due from group undertakings	347,946	347,946
Other debtors	171,377	45,223
	<u>700,451</u>	<u>523,931</u>

6 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	397,525	332,659
Corporation tax	35,062	38,513
Other taxation and social security	13,536	27,593
Other creditors	48,445	31,316
	<u>494,568</u>	<u>430,081</u>

7 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Other creditors	3,717	-
	<u>3,717</u>	<u>-</u>

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2016	2015
Balances:	£	£
Accelerated capital allowances	24,033	18,044
	<u>24,033</u>	<u>18,044</u>

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8	Deferred taxation	(Continued)
		2016
	Movements in the year:	£
	Liability at 1 January 2016	18,044
	Charge to profit or loss	5,989
	Liability at 31 December 2016	<u>24,033</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

9	Called up share capital	2016	2015
		£	£
	Ordinary share capital		
	Issued and fully paid		
	51 Ordinary 'A' shares of £1 each	51	51
	50 Ordinary 'B' shares of £1 each	50	50
	25 Ordinary 'C' shares of £1 each	25	25
	49 Ordinary 'E' shares of £1 each	49	49
		<u>175</u>	<u>175</u>
	Preference share capital		
	Issued and fully paid		
	25 Ordinary 'D' shares of £1 each	25	25
		<u>25</u>	<u>25</u>

DISCOUNT BUILDERS MERCHANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Related party transactions

At the year end the company owed Mrs N Knowlden, a shareholder, £449 (2015: £619)

11 Directors' transactions

Dividends totalling £20,400 (2015 - £49,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
G Knowlden - Directors loan account	-	8,476	164,958	(20,700)	152,734
		<u>8,476</u>	<u>164,958</u>	<u>(20,700)</u>	<u>152,734</u>

12 Controlling party

The company is under the control of Mr G. W. Knowlden, the sole director, who controls the voting rights by virtue of his shareholding.

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.