

Registered number: 02722853

**Smarts Plumbing Specialists Limited**

Information for filing with the registrar

Financial statements

For the Year Ended 31 March 2020



## **Smarts Plumbing Specialists Limited**

### **Company Information**

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<b>Directors</b>	A J Smart C D Smart K T Smart
<b>Company secretary</b>	C D Smart
<b>Registered number</b>	02722853
<b>Registered office</b>	74-80a Hednesford Road Heath Hayes Cannock Staffordshire WS12 3EA
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

**Smarts Plumbing Specialists Limited**

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**Smarts Plumbing Specialists Limited**  
**Registered number:02722853**

**Balance Sheet**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	4	265,069	247,168
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	2,010,099	1,726,845
Cash at bank and in hand	6	699,715	739,503
		<u>2,709,814</u>	<u>2,466,348</u>
Creditors: amounts falling due within one year	7	(1,915,454)	(2,153,240)
<b>Net current assets</b>		<u>794,360</u>	<u>313,108</u>
<b>Total assets less current liabilities</b>		<u>1,059,429</u>	<u>560,276</u>
Creditors: amounts falling due after more than one year	8	(119,981)	(83,147)
<b>Provisions for liabilities</b>			
Deferred tax	11	(38,000)	(33,000)
<b>Net assets</b>		<u><u>901,448</u></u>	<u><u>444,129</u></u>
<b>Capital and reserves</b>			
Called up share capital		140	140
Profit and loss account	12	901,308	443,989
		<u><u>901,448</u></u>	<u><u>444,129</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2020.



**C D Smart**  
Director

The notes on pages 2 to 11 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

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**1. General information**

Smarts Plumbing Specialists Limited is a private company limited by shares and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The principal activity of the company continued to be that of plumbing contractors.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Smarts Holdings Limited as at 31 March 2020 and these financial statements may be obtained from 74-80a Hednesford Road, Heath Hayes, Cannock, Staffordshire, WS12 3EA.

**2.3 Going concern**

The company meets its day to day working capital requirements through the mixture of short and longer term debt, such as bank balances, trade receivables and payables and external loans and funding. The external debt provider to the group, remains supportive and whilst the company has not received written confirmation of this future support, the regular dialogue has not drawn any attention to the fact that the support will not be continued on the same basis. As a consequence, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility. After making enquiries of management, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25% Reducing balance
Fixtures, fittings & equipment	-	25% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**2.12 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.



**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.15 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 65 (2019 - 57).

Smarts Plumbing Specialists Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2020

4. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	466,451	28,892	495,343
Additions	170,170	-	170,170
Disposals	(133,915)	-	(133,915)
At 31 March 2020	502,706	28,892	531,598
<b>Depreciation</b>			
At 1 April 2019	236,292	11,883	248,175
Charge for the year on owned assets	7,129	4,248	11,377
Charge for the year on financed assets	74,400	-	74,400
Disposals	(67,423)	-	(67,423)
At 31 March 2020	250,398	16,131	266,529
<b>Net book value</b>			
At 31 March 2020	252,308	12,761	265,069
At 31 March 2019	230,159	17,009	247,168

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	223,293	193,597

**Smarts Plumbing Specialists Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**5. Debtors**

	2020 £	2019 £
Trade debtors	1,288,505	1,617,145
Amounts owed by group undertakings	618,604	-
Other debtors	69,277	83,422
Prepayments and accrued income	33,713	26,278
	<u>2,010,099</u>	<u>1,726,845</u>

**6. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	699,715	739,503
Less: bank overdrafts	-	(36,225)
	<u>699,715</u>	<u>703,278</u>

**7. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank overdrafts	-	36,225
Trade creditors	1,195,317	1,379,981
Corporation tax	33,498	68,779
Other taxation and social security	81,089	90,916
Obligations under finance lease and hire purchase contracts	81,208	80,036
Other creditors	461,619	472,983
Accruals and deferred income	62,723	24,320
	<u>1,915,454</u>	<u>2,153,240</u>

**8. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>119,981</u>	<u>83,147</u>

## Smarts Plumbing Specialists Limited

### Notes to the Financial Statements For the Year Ended 31 March 2020

#### 9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	81,208	80,036
Between 1-5 years	119,981	83,147
	<u>201,189</u>	<u>163,183</u>

#### 10. Financial instruments

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at undiscounted amounts receivable	<u>2,606,824</u>	<u>2,356,648</u>
<b>Financial liabilities</b>		
Financial liabilities measured at undiscounted amounts payable	(1,719,659)	(1,913,509)
Financial liabilities measured at amortised cost	(201,189)	(163,183)
	<u>(1,920,848)</u>	<u>(2,076,692)</u>

Financial assets measured at undiscounted amounts receivable comprise trade debtors, amounts owed by group undertakings and cash at bank.

Financial liabilities measured at undiscounted amounts payable comprise bank overdraft, trade creditors, other creditors and accruals.

Financial liabilities measured at amortised cost comprise obligations under finance lease and hire purchase contracts.

## Smarts Plumbing Specialists Limited

### Notes to the Financial Statements For the Year Ended 31 March 2020

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#### 11. Deferred taxation

	2020 £	2019 £
At beginning of year	(33,000)	(40,517)
Charged to profit or loss	(5,000)	7,517
<b>At end of year</b>	<b>(38,000)</b>	<b>(33,000)</b>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(41,000)	(33,000)
Short term timing differences	3,000	-
	<b>38,000</b>	<b>33,000</b>

#### 12. Reserves

##### Profit and loss account

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

#### 13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £47,453 (2019 - £28,118). There was £nil (2019 - £nil) contributions outstanding at the balance sheet date.

#### 14. Related party transactions

The company took advantage of the exemption conferred by section 33 of the Financial Reporting Standard 102 not to disclose transactions with group companies, on the grounds that 100% of the voting rights in the company are controlled within that group and the company's results are included in the group's consolidated financial statements, which are publicly available.

#### 15. Controlling party

The company is a wholly owned subsidiary of Smarts Holdings Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from 74-80a Hednesford Road, Heath Hayes, Cannock, Staffordshire, WS12 3EA.

There is no one ultimate controlling party of Smarts Holdings Limited.

**Smarts Plumbing Specialists Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

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**16. Auditors' information**

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 18 September 2020 by Julian Townsend ACA FCCA (Senior Statutory Auditor) on behalf of Dains LLP.