

Company Registration No. 03128147 (England and Wales)

STEPHEN HUGHES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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STEPHEN HUGHES LIMITED

COMPANY INFORMATION

Director	Mr S Hughes
Company number	03128147
Registered office	2nd Floor Frigate House Quay Parade Swansea SA1 1SR
Auditor	Broomfield & Alexander Limited Charter Court Phoenix Way Enterprise Park Swansea SA7 9FS

STEPHEN HUGHES LIMITED

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STEPHEN HUGHES LIMITED

BALANCE SHEET

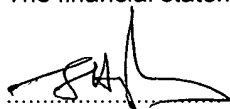
AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3	693,784		50,743	
Investments	4	4,800		4,800	
		<u>698,584</u>		<u>55,543</u>	
Current assets					
Stocks		1,427,856		1,232,560	
Debtors	5	322,545		38,492	
Cash at bank and in hand		96,922		204,511	
		<u>1,847,323</u>		<u>1,475,563</u>	
Creditors: amounts falling due within one year	6	(2,345,753)		(1,400,071)	
Net current (liabilities)/assets		<u>(498,430)</u>		<u>75,492</u>	
Total assets less current liabilities		<u>200,154</u>		<u>131,035</u>	
Creditors: amounts falling due after more than one year	7	(373,163)		(64,900)	
Net (liabilities)/assets		<u>(173,009)</u>		<u>66,135</u>	
Capital and reserves					
Called up share capital	8	15,000		15,000	
Own shares		10,000		10,000	
Profit and loss reserves		(198,009)		41,135	
Total equity		<u>(173,009)</u>		<u>66,135</u>	

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

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 24/9/17



Mr S Hughes
Director

Company Registration No. 03128147

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Stephen Hughes Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor Frigate House, Quay Parade, SWANSEA, UK, SA1 1SR.

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 Stephen Hughes 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

The turnover shown in the profit and loss account represents amounts receivable for goods during the year, exclusive of Value Added Tax and trade discounts.

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

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	20%
Fixtures, fittings & equipment	25%

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.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 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.

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 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 the initial recognition of other assets and liabilities in a transaction that affects 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 is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates 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 tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 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.

1.13 Related parties

The company entered into transactions with related parties during the year. The related parties consist of fellow group companies where the transactions and balances are eliminated upon consolidation in the consolidated accounts of the holding company Jawos (Holdings) Limited. The company has taken advantage of the exemption under FRS 102 not to disclose such transactions.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2015 - 7).

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	5,676	223,402	229,078
Additions	-	653,239	653,239
At 31 December 2016	5,676	876,641	882,317
Depreciation and impairment			
At 1 January 2016	4,995	173,341	178,336
Depreciation charged in the year	136	10,061	10,197
At 31 December 2016	5,131	183,402	188,533
Carrying amount			
At 31 December 2016	545	693,239	693,784
At 31 December 2015	682	50,061	50,743

4 Fixed asset investments

	2016 £	2015 £
Investments	4,800	4,800

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2016 & 31 December 2016	4,800
Carrying amount	
At 31 December 2016	4,800
At 31 December 2015	4,800

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Debtors	2016	2015
	£	£
Amounts falling due within one year:		
Other debtors	322,545	38,492
	<u> </u>	<u> </u>
6 Creditors: amounts falling due within one year	2016	2015
	£	£
Bank loans and overdrafts	9,579	9,226
Trade creditors	535,004	97,172
Amounts due to group undertakings	1,689,156	1,182,165
Corporation tax	-	15,032
Other taxation and social security	16,161	36,057
Other creditors	95,853	60,419
	<u> </u>	<u> </u>
	<u>2,345,753</u>	<u>1,400,071</u>

Included in bank loans is an amount due to Finance Wales Limited for £9,579 (2015: £9,226). This loan is secured by a fixed and floating charge over the assets of the company.

Included in other creditors is an amount due to Jawos (Swansea) Limited for £84,000 (2015 :£Nil). This loan is secured by a fixed and floating charge over the assets of the company. Its repayable over 5 years and at an interest rate of 3.25%.

7 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Bank loans	54,967	64,900
Other creditors	318,196	-
	<u> </u>	<u> </u>
	<u>373,163</u>	<u>64,900</u>

Included in bank loans, is an amount owed to Finance Wales Limited of £54,967 (2015: £64,900). This loan is secured by a fixed and floating charge over the assets of the company.

Included in other creditors is an amount due to Jawos (Swansea) Limited for £318,196 (2015 :£Nil). This loan is secured by a fixed and floating charge over the assets of the company. Its repayable over 5 years and at an interest rate of 3.25%.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
15,000 Ordinary shares of £1 each	15,000	15,000

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Matthew Thomas.

The auditor was Broomfield & Alexander Limited.

10 Financial commitments, guarantees and contingent liabilities

Lloyds Bank Plc. holds a fixed and floating charge over the assets of the company in respect of outstanding liabilities across the Group.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
	980,172	117,863

12 Related party transactions

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Other related parties	4,073	-

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2016
	Balance
	£
Amounts owed by related parties	
Other related parties	104,886
	<u>104,886</u>

There were no amounts owed in the previous period.

13 Controlling party

The company is a wholly owned subsidiary and the ultimate parent company is Jawos (Holdings) Limited, a company incorporated in England and Wales.

The ultimate controlling party is Mr S Hughes, director and majority shareholder.