

Company Registration No. 03128147 (England and Wales)

STEPHEN HUGHES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR

STEPHEN HUGHES LIMITED

COMPANY INFORMATION

Director	Mr S Hughes
Company number	03128147
Registered office	C/O Stephen Hughes Fine Diamonds 5 Queens Arcade Quadrant Shopping Centre Swansea SA1 3QW
Accountants	Baldwins Accountants 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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		624,601		719,431
Investments	4		4,800		4,800
			<u>629,401</u>		<u>724,231</u>
Current assets					
Stocks		1,348,579		1,322,219	
Debtors	5	72,232		236,536	
Cash at bank and in hand		50,212		84,202	
		<u>1,471,023</u>		<u>1,642,957</u>	
Creditors: amounts falling due within one year	6	(165,940)		(2,211,186)	
Net current assets/(liabilities)			<u>1,305,083</u>		<u>(568,229)</u>
Total assets less current liabilities			<u>1,934,484</u>		<u>156,002</u>
Creditors: amounts falling due after more than one year	7		(103,777)		(365,964)
Provisions for liabilities			<u>(40,000)</u>		<u>(40,000)</u>
Net assets/(liabilities)			<u><u>1,790,707</u></u>		<u><u>(249,962)</u></u>
Capital and reserves					
Called up share capital	8		15,000		15,000
Own shares			10,000		10,000
Profit and loss reserves			<u>1,765,707</u>		<u>(274,962)</u>
Total equity			<u><u>1,790,707</u></u>		<u><u>(249,962)</u></u>

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

For the financial year ended 31 December 2018 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 Companies Act 2006 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.

STEPHEN HUGHES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved and signed by the director and authorised for issue on 30 September 2019

Mr S Hughes

Director

Company Registration No. 03128147

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Stephen Hughes Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O Stephen Hughes Fine Diamonds, 5 Queens Arcade, Quadrant Shopping Centre, SWANSEA, UK, SA1 3QW.

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.

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	10%

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 2018

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 at bank and in hand 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 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.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

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.

1.8 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.

1.9 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.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.11 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 14 (2017 - 18).

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	5,676	981,179	986,855
Additions	-	14,021	14,021
Disposals	(5,676)	(224,075)	(229,751)
At 31 December 2018	-	771,125	771,125
Depreciation and impairment			
At 1 January 2018	5,240	262,184	267,424
Depreciation charged in the year	87	73,394	73,481
Eliminated in respect of disposals	(5,327)	(189,054)	(194,381)
At 31 December 2018	-	146,524	146,524
Carrying amount			
At 31 December 2018	-	624,601	624,601
At 31 December 2017	436	718,995	719,431

4 Fixed asset investments

	2018 £	2017 £
Investments	4,800	4,800

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2018 & 31 December 2018	4,800
Carrying amount	
At 31 December 2018	4,800
At 31 December 2017	4,800

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	72,232	236,536
	<u> </u>	<u> </u>

6 Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loans and overdrafts	42,000	12,000
Trade creditors	83,533	101,630
Amounts owed to group undertakings	-	1,943,190
Taxation and social security	16,490	66,275
Other creditors	23,917	88,091
	<u> </u>	<u> </u>
	165,940	2,211,186
	<u> </u>	<u> </u>

Included in bank loans, is an amount owed to Finance Wales Limited of £12,000 (2017: £12,000). This loan is secured by a fixed and floating charge over the assets of the company.

Also included in bank loans, is an amount owed to Lloyds Bank Plc of £30,000 (2017: £Nil). This loan is secured by a fixed and floating charge over the assets of the company.

7 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Bank loans	103,777	42,557
Other creditors	-	323,407
	<u> </u>	<u> </u>
	103,777	365,964
	<u> </u>	<u> </u>

Included in bank loans, is an amount owed to Finance Wales Limited of £32,322 (2017: £42,557). This loan is secured by a fixed and floating charge over the assets of the company.

Also included in bank loans, is an amount owed to Lloyds Bank Plc of £71,500 (2017: £Nil). This loan is secured by a fixed and floating charge over the assets of the company.

STEPHEN HUGHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8	Called up share capital	2018 £	2017 £
	Ordinary share capital		
	Issued and fully paid		
	15,000 Ordinary shares of £1 each	15,000	15,000
		<u> </u>	<u> </u>

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.