

Michael Lawrence Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2019

Michael Lawrence Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 7</u>

Michael Lawrence Limited

Company Information

Directors	M J Suddaby
	M L Suddaby
Registered office	497-499 Hessle Road Hull East Yorkshire HU3 4UD

Michael Lawrence Limited

(Registration number: 4669241)

Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	12,637	16,405
Current assets			
Stocks	<u>6</u>	41,637	44,582
Debtors	<u>7</u>	1,798	4,257
Cash at bank and in hand		<u>4,418</u>	<u>9,198</u>
		47,853	58,037
Creditors: Amounts falling due within one year	<u>8</u>	<u>(110,709)</u>	<u>(113,142)</u>
Net current liabilities		<u>(62,856)</u>	<u>(55,105)</u>
Net liabilities		<u>(50,219)</u>	<u>(38,700)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(50,319)</u>	<u>(38,800)</u>
Total equity		<u>(50,219)</u>	<u>(38,700)</u>

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 18 September 2019 and signed on its behalf by:

.....

M J Suddaby
Director

The notes on pages 3 to 7 form an integral part of these financial statements.

Michael Lawrence Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital incorporated in England and Wales and the company registration number is 4669241.

The address of its registered office is:

497-499 Hessle Road
Hull
East Yorkshire
HU3 4UD

These financial statements were authorised for issue by the Board on 18 September 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The directors recognise that there is concern over the ability of the company to continue as a going concern due to the net current liabilities of £62,856 and the insolvent balance sheet of £50,219. The directors have a reasonable expectation that the company's financial position will improve and the directors and shareholders have confirmed they will continue to support the company and as a result the financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of musical instruments and accessories in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Notes to the Financial Statements for the Year Ended 31 March 2019

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% Reducing balance
Plant and machinery	15% Reducing balance
Furniture and fittings	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Fully Amortised

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Michael Lawrence Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2018 - 3).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2018	20,000	20,000
At 31 March 2019	20,000	20,000
Amortisation		
At 1 April 2018	20,000	20,000
At 31 March 2019	20,000	20,000
Carrying amount		
At 31 March 2019	-	-

Michael Lawrence Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

5 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2018	4,013	7,398	14,597	26,008
At 31 March 2019	4,013	7,398	14,597	26,008
Depreciation				
At 1 April 2018	1,805	6,278	1,520	9,603
Charge for the year	331	168	3,269	3,768
At 31 March 2019	2,136	6,446	4,789	13,371
Carrying amount				
At 31 March 2019	1,877	952	9,808	12,637
At 31 March 2018	2,208	1,120	13,077	16,405

6 Stocks

	2019 £	2018 £
Other inventories	41,637	44,582

7 Debtors

	2019 £	2018 £
Trade debtors	400	2,624
Other debtors	43	32
Prepayments and accrued income	1,355	1,601
Total current trade and other debtors	1,798	4,257

Michael Lawrence Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	264	2,554
Other creditors	108,583	108,751
Accruals and deferred income	1,862	1,837
	<u>110,709</u>	<u>113,142</u>

9 Related party transactions

Other transactions with directors

At the year end the company owed the director (MJ Suddaby) £108,583 (2018 - £108,751), this amount is interest free and repayable on demand.

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.