

S + H Technical Support Limited

Annual Report and Unaudited Financial Statements
for the year ended 31 August 2019

S + H TECHNICAL SUPPORT LIMITED

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S + H TECHNICAL SUPPORT LIMITED**(Registration number: 04842080)****Balance Sheet as at 31 August 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>4</u>	127,000	158,750
Tangible assets	<u>5</u>	<u>217,245</u>	<u>237,087</u>
		<u>344,245</u>	<u>395,837</u>
Current assets			
Stocks	<u>6</u>	86,286	89,887
Debtors	<u>7</u>	169,458	126,540
Cash at bank and in hand		<u>1,240</u>	<u>1,186</u>
		256,984	217,613
Creditors: Amounts falling due within one year	<u>8</u>	<u>(304,750)</u>	<u>(306,565)</u>
Net current liabilities		<u>(47,766)</u>	<u>(88,952)</u>
Total assets less current liabilities		296,479	306,885
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(44,065)</u>	<u>(29,385)</u>
Provisions for liabilities		<u>(30,762)</u>	<u>(32,735)</u>
Net assets		<u>221,652</u>	<u>244,765</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Revaluation reserve		8,240	9,694
Profit and loss account		<u>213,312</u>	<u>234,971</u>
Total equity		<u>221,652</u>	<u>244,765</u>

The notes on pages 3 to 11 form an integral part of these financial statements.

S + H TECHNICAL SUPPORT LIMITED

(Registration number: 04842080)

Balance Sheet as at 31 August 2019

For the financial year ending 31 August 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 for issue by the Board on 22 June 2020 and signed on its behalf by:

Mr T M Murtha
Director

Mr N E Smith
Director

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Starcloth Way
Mullacott Industrial Estate
ILFRACOMBE
Devon
EX34 8PL

These financial statements were authorised for issue by the Board on 22 June 2020.

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.

Going concern

The financial statements have been prepared on a going concern basis.

Judgements

There are no judgements which management have made in the process of applying the accounting policies.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to assets and liabilities to be disclosed..

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services 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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

Tax

The tax expense for the period comprises current and deferred 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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
Leasehold buildings	evenly over 3 years
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Office equipment	33% 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:

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

Asset class	Amortisation method and rate
Goodwill	evenly over 20 years unless impairment occurs
Research and development	evenly over 3 years

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.

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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

Financial instruments

Classification

Basic financial assets include trade and other debtors, cash and bank balances. Basic financial liabilities include trade and other payables, bank loans and preference shares that are classified as debt.

Recognition and measurement

Basic financial assets are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method. Other debtors are classified as current assets if payment is due within one year or less and are initially recorded at transaction price and subsequently measured at the undiscounted amount of the cash expected to be received. Trade debtors are referred to above.

Basic financial liabilities 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. 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. Other creditors are classified as current liabilities if payment is due within one year or less and are recognised initially at transaction price and subsequently measured at the undiscounted amount of the cash expected to be paid. If not, they are presented as non-current liabilities and are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Trade creditors and leases are referred to above.

Impairment

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 24 (2018 - 25).

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

4 Intangible assets

	Goodwill £	Internally generated software development costs £	Total £
Cost or valuation			
At 1 September 2018	635,000	34,930	669,930
At 31 August 2019	635,000	34,930	669,930
Amortisation			
At 1 September 2018	476,250	34,930	511,180
Amortisation charge	31,750	-	31,750
At 31 August 2019	508,000	34,930	542,930
Carrying amount			
At 31 August 2019	127,000	-	127,000
At 31 August 2018	158,750	-	158,750

5 Tangible assets

	Short leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	11,021	10,382	879,514	31,289	7,250	939,456
Additions	-	-	19,377	-	-	19,377
Disposals	-	-	-	-	(1,836)	(1,836)
At 31 August 2019	11,021	10,382	898,891	31,289	5,414	956,997
Depreciation						
At 1 September 2018	11,021	9,491	649,680	28,044	4,133	702,369
Charge for the year	-	135	35,642	880	726	37,383
At 31 August 2019	11,021	9,626	685,322	28,924	4,859	739,752
Carrying amount						
At 31 August						

2019	-	756	213,569	2,365	555	217,245
At 31 August 2018	-	891	229,834	3,245	3,117	237,087

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

6 Stocks

	2019 £	2018 £
Finished goods and goods for resale	2,000	2,500
Other inventories	84,286	87,387
	<u>86,286</u>	<u>89,887</u>

7 Debtors

	Note	2019 £	2018 £
Trade debtors		90,100	116,893
Amounts owed by related parties	12	70,684	-
Other debtors		845	835
Prepayments		4,079	4,312
Gross amount due from customers for contract work		<u>3,750</u>	<u>4,500</u>
		<u>79,358</u>	<u>9,647</u>
Total current trade and other debtors		<u>169,458</u>	<u>126,540</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	10	38,251	31,109
Trade creditors		181,526	154,707
Taxation and social security		45,894	26,304
Accruals and deferred income		27,881	84,613
Other creditors		<u>11,198</u>	<u>9,832</u>
		<u>304,750</u>	<u>306,565</u>

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	10	<u>44,065</u>	<u>29,385</u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

10 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Hire purchase contracts	14,680	-
Other borrowings	29,385	29,385
	<u>44,065</u>	<u>29,385</u>

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	27,956	14,670
HP and finance lease liabilities	10,295	-
Loans from related parties	-	16,439
	<u>38,251</u>	<u>31,109</u>

11 Obligations under leases and hire purchase contracts

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	64,293	41,272
Later than one year and not later than five years	63,752	8,354
	<u>128,045</u>	<u>49,626</u>

12 Related party transactions

Transactions with directors

	At 1 September 2018 £	Advances to directors £	At 31 August 2019 £
2019			
Loan, charged at 2.5% p.a (2018 0%)	-	70,684	70,684

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2019

	At 1 September 2017 £	Repayments by director £	At 31 August 2018 £
2018			
Loan, charged at 2.5% p.a (2018 0%)	7,649	(7,649)	-

13 Non adjusting events after the financial period

During the first quarter of 2020 the world suffered severe disruption from the Covid-19 pandemic. On 23 March 2020 the UK government forced many businesses to close in order to try and contain the virus which has led to all customer orders for jobs being cancelled, in particular hire of equipment for TV productions, music festivals and other corporate events. The company has taken advantage of the Coronavirus Job Retention Scheme to furlough staff whilst the company awaits further updates from the government regarding re-opening sectors of the economy whilst adhering to social distancing requirements. The company is currently applying for additional financial support, in the form of government backed business loans and local authority grants, in order to provide working capital to cover business overheads in the short to medium term. It is difficult to measure the financial effect of the pandemic as the situation is still live and subject to a changing environment based on government announcements.

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