

COMPANY REGISTRATION NUMBER: 05263756

A & M Smith Limited
Filleted Unaudited Financial Statements
31 January 2019



A & M Smith Limited

Statement of Financial Position

31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	243,225	231,354
Current assets			
Stocks		296,119	265,600
Debtors	7	47,997	40,107
Investments	8	103	103
Cash at bank and in hand		84,983	132,082
		<u>429,202</u>	<u>437,892</u>
Creditors: amounts falling due within one year	9	<u>146,826</u>	<u>206,563</u>
Net current assets		<u>282,376</u>	<u>231,329</u>
Total assets less current liabilities		<u>525,601</u>	<u>462,683</u>
Creditors: amounts falling due after more than one year	10	100,460	113,942
Provisions			
Taxation including deferred tax		<u>20,136</u>	<u>17,881</u>
Net assets		<u><u>405,005</u></u>	<u><u>330,860</u></u>

The statement of financial position
continues on the following page.

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

A & M Smith Limited

Statement of Financial Position *(continued)*

31 January 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>404,905</u>	<u>330,760</u>
Shareholders funds		<u>405,005</u>	<u>330,860</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 January 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 4 July 2019, and are signed on behalf of the board by:



Mrs M A Smith
Director



Mr A Smith
Director

Company registration number: 05263756

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

A & M Smith Limited

Notes to the Financial Statements

Year ended 31 January 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Arkle House, Lonsdale Street, Carlisle, Cumbria, CA1 1BJ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Any estimate that has a degree of uncertainty or where judgement has been exercised in a particular area is expressly disclosed within the relevant accounting policy.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Income tax

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

(continued)

3. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

A & M Smith Limited

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2018: 9).

5. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	29,210	16,876
Deferred tax:		
Origination and reversal of timing differences	2,255	6,321
Tax on profit	<u>31,465</u>	<u>23,197</u>

A & M Smith Limited

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

6. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 February 2018	137,246	175,511	312,757
Additions	–	58,816	58,816
Disposals	–	(35,150)	(35,150)
At 31 January 2019	<u>137,246</u>	<u>199,177</u>	<u>336,423</u>
Depreciation			
At 1 February 2018	–	81,403	81,403
Charge for the year	–	35,333	35,333
Disposals	–	(23,538)	(23,538)
At 31 January 2019	<u>–</u>	<u>93,198</u>	<u>93,198</u>
Carrying amount			
At 31 January 2019	<u>137,246</u>	<u>105,979</u>	<u>243,225</u>
At 31 January 2018	<u>137,246</u>	<u>94,108</u>	<u>231,354</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 January 2019	<u>64,744</u>
At 31 January 2018	<u>42,825</u>

7. Debtors

	2019 £	2018 £
Trade debtors	45,263	37,467
Other debtors	2,734	2,640
	<u>47,997</u>	<u>40,107</u>

8. Investments

	2019 £	2018 £
ACT Shares	<u>103</u>	<u>103</u>

A & M Smith Limited

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	14,726	14,583
Trade creditors	4,804	9,486
Corporation tax	29,210	16,876
Social security and other taxes	17,722	18,051
Other creditors	80,364	147,567
	<u>146,826</u>	<u>206,563</u>

The bank loans are secured by a charge over the company's freehold property.

10. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	73,974	89,177
Other creditors	26,486	24,765
	<u>100,460</u>	<u>113,942</u>

Included within creditors: amounts falling due after more than one year is an amount of £(28,276) (2018: £(37,028)) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

11. Related party transactions

The company was under the control of the directors, Mr and Mrs A Smith throughout the current year. Loans are owing to the directors which are interest free and have no specific repayment date.