

# Varnavas Enterprises Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 July 2017

MacMahon Leggate  
Chartered Accountants  
Charter House  
18-20 Finsley Gate  
Burnley  
Lancashire  
BB11 2HA



# Varnavas Enterprises Ltd

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# **Varnavas Enterprises Ltd**

## **Company Information**

<b>Directors</b>	S Varnavas C Varnavas
<b>Registered office</b>	13 Lower Mead Drive BURNLEY Lancashire BB12 0ED
<b>Accountants</b>	MacMahon Leggate Chartered Accountants Charter House 18-20 Finsley Gate Burnley Lancashire BB11 2HA

# **Varnavas Enterprises Ltd**

## **Directors' Report for the Year Ended 31 July 2017**

The directors present their report and the financial statements for the year ended 31 July 2017.

### **Directors of the company**

The directors who held office during the year were as follows:

S Varnavas

C Varnavas

### **Principal activity**

The principal activity of the company is Fish & Chip shop ceased 31/12/2016

### **Small companies provision statement**

This report has 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.

Approved by the Board on 25 January 2018 and signed on its behalf by:

.....

S Varnavas

Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited  
Statutory Accounts of  
Varnavas Enterprises Ltd  
for the Year Ended 31 July 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Varnavas Enterprises Ltd for the year ended 31 July 2017 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Varnavas Enterprises Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Varnavas Enterprises Ltd and state those matters that we have agreed to state to the Board of Directors of Varnavas Enterprises Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Varnavas Enterprises Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Varnavas Enterprises Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Varnavas Enterprises Ltd. You consider that Varnavas Enterprises Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Varnavas Enterprises Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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MacMahon Leggate  
Chartered Accountants  
Charter House  
18-20 Finsley Gate  
Burnley  
Lancashire  
BB11 2HA

25 January 2018

## Varnavas Enterprises Ltd

### Statement of Income and Retained Earnings for the Year Ended 31 July 2017

	Note	2017 £	2016 £
Turnover		28,139	65,738
Cost of sales		<u>(11,914)</u>	<u>(26,144)</u>
Gross profit		16,225	39,594
Administrative expenses		<u>(15,080)</u>	<u>(38,325)</u>
Operating profit		<u>1,145</u>	<u>1,269</u>
Profit before tax		<u>1,145</u>	<u>1,269</u>
Profit for the financial year		1,145	1,269
Retained earnings brought forward		<u>(14,836)</u>	<u>(16,105)</u>
Retained earnings carried forward		<u><u>(13,691)</u></u>	<u><u>(14,836)</u></u>

The notes on pages 7 to 11 form an integral part of these financial statements.

**Varnavas Enterprises Ltd**  
**(Registration number: 05590137)**  
**Balance Sheet as at 31 July 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	-	16,000
Tangible assets	<u>5</u>	-	2,660
Investment property	<u>6</u>	76,212	-
		<u>76,212</u>	<u>18,660</u>
<b>Current assets</b>			
Stocks	<u>7</u>	-	200
Cash at bank and in hand		11,705	257
		11,705	457
<b>Creditors: Amounts falling due within one year</b>	<u>9</u>	(101,606)	(33,951)
<b>Net current liabilities</b>		(89,901)	(33,494)
<b>Net liabilities</b>		<u>(13,689)</u>	<u>(14,834)</u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		(13,691)	(14,836)
<b>Total equity</b>		<u>(13,689)</u>	<u>(14,834)</u>

The notes on pages 7 to 11 form an integral part of these financial statements.  
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## **Varnavas Enterprises Ltd**

**(Registration number: 05590137)**

### **Balance Sheet as at 31 July 2017**

For the financial year ending 31 July 2017 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.

Approved and authorised by the Board on 25 January 2018 and signed on its behalf by:

.....

S Varnavas

Director

The notes on pages 7 to 11 form an integral part of these financial statements.

# Varnavas Enterprises Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 1 General information

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

The address of its registered office is:

13 Lower Mead Drive  
BURNLEY  
Lancashire  
BB12 0ED  
England

These financial statements were authorised for issue by the Board on 25 January 2018.

### 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 in sterling (£) using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### 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.

#### 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
Fixtures and Fittings	25% Reducing balance basis

# Varnavas Enterprises Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2017

### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

### 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	10 % straight line

### 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.

### 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.

# Varnavas Enterprises Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 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.

### 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.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2016 - 3).

### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 August 2016	40,000	40,000
Disposals	<u>(40,000)</u>	<u>(40,000)</u>
At 31 July 2017	<u>-</u>	<u>-</u>
<b>Amortisation</b>		
At 1 August 2016	24,000	24,000
Amortisation eliminated on disposals	<u>(24,000)</u>	<u>(24,000)</u>
At 31 July 2017	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
At 31 July 2017	<u>-</u>	<u>-</u>
At 31 July 2016	<u>16,000</u>	<u>16,000</u>

# Varnavas Enterprises Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 5 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 August 2016	15,000	15,000
Disposals	(15,000)	(15,000)
At 31 July 2017	-	-
<b>Depreciation</b>		
At 1 August 2016	12,340	12,340
Eliminated on disposal	(12,340)	(12,340)
At 31 July 2017	-	-
<b>Carrying amount</b>		
At 31 July 2017	-	-
At 31 July 2016	2,660	2,660

### 6 Investment properties

	2017 £
Additions	76,212

There has been no valuation of investment property by an independent valuer.

### 7 Stocks

	2017 £	2016 £
Other inventories	-	200

### 8 Debtors

	2017 £	2016 £
Total current trade and other debtors	-	-

# Varnavas Enterprises Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 9 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Bank loans and overdrafts	<u>10</u>	6,636	6,636
Other creditors		<u>94,970</u>	<u>27,315</u>
		<u>101,606</u>	<u>33,951</u>

### 10 Loans and borrowings

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Other borrowings	<u>6,636</u>	<u>6,636</u>

# Varnavas Enterprises Ltd

## Detailed Profit and Loss Account for the Year Ended 31 July 2017

	2017 £	2016 £
Turnover (analysed below)	28,139	65,738
Cost of sales (analysed below)	<u>(11,914)</u>	<u>(26,144)</u>
Gross profit	<u>16,225</u>	<u>39,594</u>
Gross profit (%)		
<b>Administrative expenses</b>		
Employment costs (analysed below)	(13,891)	(17,150)
Establishment costs (analysed below)	(4,133)	(12,138)
General administrative expenses (analysed below)	(2,727)	(3,880)
Finance charges (analysed below)	(669)	(257)
Depreciation costs (analysed below)	-	(4,900)
Other expenses (analysed below)	<u>6,340</u>	<u>-</u>
	<u>(15,080)</u>	<u>(38,325)</u>
Operating profit	<u>1,145</u>	<u>1,269</u>
Profit before tax	<u><u>1,145</u></u>	<u><u>1,269</u></u>

This page does not form part of the statutory financial statements.  
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# Varnavas Enterprises Ltd

## Detailed Profit and Loss Account for the Year Ended 31 July 2017

	2017 £	2016 £
<b>Turnover</b>		
Sale of goods, UK	<u>28,139</u>	<u>65,738</u>
<b>Cost of sales</b>		
Purchases	<u>11,914</u>	<u>26,144</u>
<b>Employment costs</b>		
Wages and salaries (excluding directors)	(5,320)	(8,794)
Directors remuneration	<u>(8,571)</u>	<u>(8,356)</u>
	<u>(13,891)</u>	<u>(17,150)</u>
<b>Establishment costs</b>		
Rent	(1,750)	(4,200)
Rates	(1,176)	(1,272)
Water rates	(183)	(550)
Light, heat and power	(529)	(5,466)
Repairs and maintenance	<u>(495)</u>	<u>(650)</u>
	<u>(4,133)</u>	<u>(12,138)</u>
<b>General administrative expenses</b>		
Telephone and fax	(230)	(427)
Sundry expenses	(31)	(31)
Motor expenses	(307)	(828)
Accountancy fees	(1,624)	(1,310)
Professional indemnity insurance	<u>(535)</u>	<u>(1,284)</u>
	<u>(2,727)</u>	<u>(3,880)</u>
<b>Finance charges</b>		
Bank charges	<u>(669)</u>	<u>(257)</u>
<b>Other expenses</b>		
(Profit)/loss on disposal of tangible fixed assets	<u>6,340</u>	<u>-</u>

This page does not form part of the statutory financial statements.  
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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.

