

Origin 3 Ltd

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

Origin 3 Ltd

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Origin 3 Ltd

(Registration number: 06370231)

Balance Sheet as at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	9,712	11,700
Current assets			
Stocks	<u>5</u>	13,331	93,679
Debtors	<u>6</u>	517,231	619,796
Cash at bank and in hand		32,245	135,315
		<u>562,807</u>	<u>848,790</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(261,979)</u>	<u>(277,871)</u>
Net current assets		<u>300,828</u>	<u>570,919</u>
Net assets		<u>310,540</u>	<u>582,619</u>
Capital and reserves			
Called up share capital		50	50
Capital redemption reserve		50	50
Profit and loss account		<u>310,440</u>	<u>582,519</u>
Total equity		<u>310,540</u>	<u>582,619</u>

For the financial year ending 31 May 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.

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 Directors' Report and the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 March 2018 and signed on its behalf by:

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J B Orton

Director

The notes on pages 2 to 8 form an integral part of these financial statements.

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Origin 3 Ltd

Notes to the Financial Statements for the Year Ended 31 May 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:

Tyndall House
17 Whiteladies Road
Bristol
BS8 1PB
England

These financial statements were authorised for issue by the Board on 28 March 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.

These are the first financial statements that the company has presented under FRS 102 Section 1A. The date of transition to FRS 102 Section 1A was 1 June 2015. There have been no adjustments as a result of this transition.

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 directors consider that there are no material uncertainties about the company's ability to continue as a going concern and they have a reasonable expectation that the company has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of 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;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the services provided;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- specific criteria have been met for each of the company's activities and;
- the entity retains no effective control over the services provided.

Origin 3 Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 reporting date and that are expected to apply to the reversal of the timing difference.

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, fittings and equipment	25% and 33% on cost
Motor vehicles	25% on cost

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.

Work in progress

Work in progress represents costs incurred in providing services for which the company has not recognised revenues. These costs consist of personnel and other costs for employees who are directly engaged in providing the service.

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Notes to the Financial Statements for the Year Ended 31 May 2017

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.

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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 14 (2016 - 11).

Origin 3 Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 June 2016	86,548	12,423	98,971
Additions	7,734	-	7,734
At 31 May 2017	94,282	12,423	106,705
Depreciation			
At 1 June 2016	74,848	12,423	87,271
Charge for the year	9,722	-	9,722
At 31 May 2017	84,570	12,423	96,993
Carrying amount			
At 31 May 2017	9,712	-	9,712
At 31 May 2016	11,700	-	11,700

5 Stocks

	2017 £	2016 £
Work in progress	13,331	93,679

6 Debtors

	2017 £	2016 £
Trade debtors	369,837	501,123
Other debtors	144,342	114,335
Prepayments and accrued income	3,052	4,338
Total current trade and other debtors	517,231	619,796

Origin 3 Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

7 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	11,051	-
Trade creditors		45,491	25,763
Amounts owed to related party	<u>11</u>	612	191
Taxation and social security		195,133	241,909
Other creditors		3,434	3,390
Accruals and deferred income		6,258	6,618
		<u>261,979</u>	<u>277,871</u>

8 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	<u>11,051</u>	<u>-</u>

A floating and fixed charge is held over the company by National Westminster Bank Plc as security over bank borrowings. The charge was created on 10 August 2017.

9 Dividends

Interim dividends paid

	2017 £	2016 £
Interim dividend of £4,220 (2016 - £3,450) per ordinary share	211,000	172,500
	<u>211,000</u>	<u>172,500</u>

10 Financial commitments, guarantees and contingencies

Amounts disclosed in the balance sheet

Included in the other creditors are outstanding pension contributions of £1,405 (2016 - £Nil). The entity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund.

Origin 3 Ltd

Notes to the Financial Statements for the Year Ended 31 May 2017

11 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	208,490	162,923

Summary of transactions with other related parties

During the year the company entered into the following related party transactions:

Origin 3 Asset Management Ltd

(A company in which the directors J B Orton and C Danks have a shareholding)

Service charge costs totalling £38,431 (2016 - £3,342) have been charged to Origin 3 Asset Management Ltd. At the balance sheet date the outstanding debtor was £56,419 (2016 - £9,678)

Consultancy costs have been charged to the company by Origin 3 Asset Management Ltd amounting to £15,000 (2016 - £38,999) under normal commercial terms. At the balance sheet date the amount due to Origin 3 Asset Management Ltd was £14,400 (2016 - £10,800)

Origin 3 Studio Limited

(A company on which the director J B Orton has a shareholding)

There were no recharged fees for the year (2016 - £301). As at the balance sheet date outstanding debtor is £Nil (2016 - £Nil). In addition commission was received from Origin 3 (Studio) Ltd based on invoices raised of £7,519 (2016 - £20,475).

NEST Asset Management Ltd

(A company in which the director J B Orton has a shareholding)

At the balance sheet date the outstanding debtor was £2,004 (2016 - £Nil)

J B Orton

(Director)

During the year J B Orton had a loan with the company, the loan was interest free and repayable on demand, and along with his wife received dividends of £211,000 (2016 - £172,500). At the balance sheet date the amount due to J B Orton was £612 (2016 - £191).

C J Wilson

(Director)

During the year the director had a loan with the company, the loan was interest free and repayable on demand. At the balance sheet date the amount due from C J Wilson was £66,887 (2016 - £58,001).

C M Danks

(Director)

During the year the director had a loan with the company, the loan was interest free and repayable on demand. At the balance sheet date the amount due from C M Danks was £26,130 (2016 - £40,167).

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Notes to the Financial Statements for the Year Ended 31 May 2017

12 Operating lease commitments

At the reporting date, the company had outstanding commitments for future minimum lease payments under non-cancellable leases totalling £33,750 (2016 - £33,750).

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