
1ST FORMATIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2021

1ST FORMATIONS LIMITED
REGISTERED NUMBER: 08861249

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	5	77,075	39,435
Current assets			
Debtors: amounts falling due within one year	6	1,633,958	604,592
Cash at bank and in hand		475,836	701,429
		<u>2,109,794</u>	<u>1,306,021</u>
Creditors: amounts falling due within one year	7	(1,786,239)	(1,412,909)
Net current assets/(liabilities)		<u>323,555</u>	<u>(106,888)</u>
Total assets less current liabilities		<u>400,630</u>	<u>(67,453)</u>
Provisions for liabilities			
Deferred tax		(16,839)	-
		<u>(16,839)</u>	<u>-</u>
Net assets/(liabilities)		<u><u>383,791</u></u>	<u><u>(67,453)</u></u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account		382,791	(68,453)
		<u><u>383,791</u></u>	<u><u>(67,453)</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G C Donnelly
Director

Date: 29 June 2022

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

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The principal activity of 1st Formations Limited ("the Company") is that of formation agents and company secretarial service provider.

The Company is a private company limited by shares and is incorporated in England and Wales.

The Registered Office address is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company is the subsidiary undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 15% on a straight line bases
Plant and machinery	- 10%-33% on a straight line bases
Fixtures and fittings	- 10%-33% on a straight line bases

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, 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. 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 the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2020 - 19).

4. Intangible assets

	Patents and licences £
Cost	
At 1 July 2020	18,950
At 30 June 2021	18,950
Amortisation	
At 1 July 2020	18,950
At 30 June 2021	18,950
Net book value	
At 30 June 2021	-
At 30 June 2020	-

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2020	-	6,619	55,364	61,983
Additions	10,004	4,373	51,220	65,597
At 30 June 2021	10,004	10,992	106,584	127,580
Depreciation				
At 1 July 2020	-	1,235	21,313	22,548
Charge for the year on owned assets	284	1,910	25,763	27,957
At 30 June 2021	284	3,145	47,076	50,505
Net book value				
At 30 June 2021	9,720	7,847	59,508	77,075
At 30 June 2020	-	5,384	34,051	39,435

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	9,720	-

1ST FORMATIONS LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

6. Debtors

	2021 £	2020 £
Trade debtors	16,988	19,776
Amounts owed by group undertakings	1,303,658	427,492
Other debtors	134,791	121,280
Prepayments and accrued income	117,192	36,044
Tax recoverable	61,329	-
	<u>1,633,958</u>	<u>604,592</u>

Amounts owed from group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

7. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	134,415	82,118
Corporation tax	-	165,049
Other taxation and social security	280,104	214,640
Other creditors	15,095	4,401
Accruals and deferred income	1,356,625	946,701
	<u>1,786,239</u>	<u>1,412,909</u>

Amounts due to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

1ST FORMATIONS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. Deferred taxation

	2021 £
Charged to profit or loss	(16,839)
At end of year	(16,839)
	2021 £
Accelerated capital allowances	(16,839)
	2020 £
	-

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

10. Prior year adjustment

The comparative information has been restated from the figures previously reported in the prior year company financial statements to reflect a change in accounting policy.

The retrospective change in accounting policy for Revenue Recognition has resulted in a decrease in revenue and an increase in creditors for the figures restated.

The impact of the adjustments has resulted in a decrease in net assets and profits as previously reported by £865,462.

The change in timing of recognition results in presentation of the most relevant and reliable financial information for users.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,544.

Contributions totalling £8,963 were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

Where possible, the company has taken advantage of the exemption conferred by FRS 102 section 33.1A from the requirement to disclose transactions with other wholly owned group undertakings.

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.