

Financial Statements
For The Year Ended 31 March 2018
for
Cosmos Decorators Limited

Cahill Jack Associates Limited
91 Alexander Street
Airdrie
North Lanarkshire
ML6 0BD

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For The Year Ended 31 March 2018**

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Cosmos Decorators Limited

**Company Information
For The Year Ended 31 March 2018**

DIRECTORS:

Mr M H Kitson
Mr M J H Kitson
Mr J Hunter
Mr M McNeil

SECRETARY:

Mr M J H Kitson

REGISTERED OFFICE:

Albany House
580 Lawmoor Street
Glasgow
Strathclyde
G5 0TX

REGISTERED NUMBER:

SC052665 (Scotland)

ACCOUNTANTS:

Cahill Jack Associates Limited
91 Alexander Street
Airdrie
North Lanarkshire
ML6 0BD

BANKERS:

The Royal Bank of Scotland
10 Gordon Street
Glasgow
G1 3PL

SOLICITORS:

Turcan Connell
180 St Vincent Street
Glasgow
G2 5SG

Cosmos Decorators Limited (Registered number: SC052665)

Balance Sheet
31 March 2018

	Notes	31.3.18 £	£	31.3.17 £	£
FIXED ASSETS					
Tangible assets	4		68,783		53,532
Investments	5		<u>123,879</u>		<u>123,906</u>
			192,662		177,438
CURRENT ASSETS					
Stocks		20,450		14,900	
Debtors	6	614,820		605,457	
Investments	7	245		245	
Cash at bank and in hand		<u>53,915</u>		<u>73,963</u>	
		689,430		694,565	
CREDITORS					
Amounts falling due within one year	8	<u>259,978</u>		<u>258,945</u>	
NET CURRENT ASSETS			<u>429,452</u>		<u>435,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			622,114		613,058
PROVISIONS FOR LIABILITIES			<u>9,941</u>		<u>7,064</u>
NET ASSETS			<u><u>612,173</u></u>		<u><u>605,994</u></u>
CAPITAL AND RESERVES					
Called up share capital			12,237		12,237
Share premium			25,650		25,650
Capital redemption reserve			35,206		35,206
Retained earnings			<u>539,080</u>		<u>532,901</u>
SHAREHOLDERS' FUNDS			<u><u>612,173</u></u>		<u><u>605,994</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 March 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors on 6 December 2018 and were signed on its behalf by:

Mr M J H Kitson - Director

**Notes to the Financial Statements
For The Year Ended 31 March 2018**

1. STATUTORY INFORMATION

Cosmos Decorators Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company's presentational currency is pounds sterling.

Significant judgements and estimates

The preparation of financial information in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The directors have identified the following areas which give rise to estimation uncertainty:

- 1) Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and any residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.
- 2) Valuation of stock and work in progress requires estimations for provisions against old and obsolete items and amounts receivable.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Turnover

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 value added tax and any other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from agreement to provide services is recognised in the period in which the services are provided 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 agreement.

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

The company adds to the carrying amount of an item of fixed asset the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. Any carrying amount of the replaced part is written off. Repairs and maintenance are charged to the profit and loss during the year in which they are incurred except for any parts unused at the year end. Asset residual values, useful lives and depreciation methods of relevant assets are reviewed, and adjusted prospectively if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in the profit and loss during the year of disposal.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Stocks and work in progress are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2018**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments and other

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, bank loans, directors' loans and forward currency contracts (derivatives).

Any bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method. Directors' loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. Forward currency contracts are derivative financial instruments. They are measured at fair value. Gains and losses arising from changes in the fair value of derivative financial instruments are included in the profit or loss in the period in which they arise.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Investments

Investments are included at fair value.

Liquid resources

Monetary amounts held on short term deposits are included within current asset investments.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 22 (2017 - 36) .

Notes to the Financial Statements - continued
For The Year Ended 31 March 2018

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2017	163,123	79,965	100,951	344,039
Additions	-	-	50,933	50,933
Disposals	-	-	(58,077)	(58,077)
At 31 March 2018	<u>163,123</u>	<u>79,965</u>	<u>93,807</u>	<u>336,895</u>
DEPRECIATION				
At 1 April 2017	160,627	79,965	49,915	290,507
Charge for year	1,053	-	15,098	16,151
Eliminated on disposal	-	-	(38,546)	(38,546)
At 31 March 2018	<u>161,680</u>	<u>79,965</u>	<u>26,467</u>	<u>268,112</u>
NET BOOK VALUE				
At 31 March 2018	<u>1,443</u>	<u>-</u>	<u>67,340</u>	<u>68,783</u>
At 31 March 2017	<u>2,496</u>	<u>-</u>	<u>51,036</u>	<u>53,532</u>

5. FIXED ASSET INVESTMENTS

	Interest in other participating interests £	Other investments £	Totals £
COST OR VALUATION			
At 1 April 2017	40	123,866	123,906
Disposals	(27)	-	(27)
At 31 March 2018	<u>13</u>	<u>123,866</u>	<u>123,879</u>
NET BOOK VALUE			
At 31 March 2018	<u>13</u>	<u>123,866</u>	<u>123,879</u>
At 31 March 2017	<u>40</u>	<u>123,866</u>	<u>123,906</u>

Cost or valuation at 31 March 2018 is represented by:

	Interest in other participating interests £	Other investments £	Totals £
Valuation in 2015	-	5,066	5,066
Valuation in 2016	-	(15,728)	(15,728)
Valuation in 2017	-	11,848	11,848
Cost	<u>13</u>	<u>122,680</u>	<u>122,693</u>
	<u>13</u>	<u>123,866</u>	<u>123,879</u>

Notes to the Financial Statements - continued
For The Year Ended 31 March 2018

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade debtors	212,220	163,457
Amounts owed by participating interests	401,000	442,000
Prepayments and accrued income	1,600	-
	<u>614,820</u>	<u>605,457</u>

7. **CURRENT ASSET INVESTMENTS**

	31.3.18	31.3.17
	£	£
Investment deposit account	<u>245</u>	<u>245</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade creditors	64,300	72,300
Tax	25,051	35,351
Social security and other taxes	23,934	21,254
VAT	38,789	68,300
Other creditors	6,154	8,254
Directors' loan accounts	50,000	-
Accruals and deferred income	51,750	53,486
	<u>259,978</u>	<u>258,945</u>

9. **RELATED PARTY DISCLOSURES AND TRANSACTIONS WITH DIRECTORS**

During the year, total dividends of £32,000 (2017 - £32,000) were paid to the directors .

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2018**

9. RELATED PARTY DISCLOSURES AND TRANSACTIONS WITH DIRECTORS - continued

Cosmos Decorators Limited was charged rent for the property at £32,000 per annum by Cosmos Properties Limited. Both companies have common shareholders.

Included within debtors due within one year is an amount of £401,000 (2017 - £442,000) due from Cosmos Properties Limited. The company wrote off loans of £114,000 (2017 - £nil) with Cosmos Properties Limited during the year.

Cosmos Decorators Limited owns 18% of the ordinary share capital of Cosmos Projects Limited.

The following transactions occurred during the year:

Included with trade debtors is an amount of £20,553 (2017 - £57,447) due from Cosmos Projects Limited. During the year Cosmos Decorators Limited charged Cosmos Projects Limited £34,663 (2017 - £31,956) for administration and made sales of £263,480 (2017 - £317,409) for recharges and work carried out.

The company disposed of part of its investment in Cosmos Projects Limited to Mr Mark Kitson, director, for £53,587.

Included with creditors due within one year is an amount due to Mr Mark Kitson amounting to £50,000.

10. ULTIMATE CONTROLLING PARTY

Mr M J H Kitson as the majority shareholder is considered to be the ultimate controlling party of the company.

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.