

REGISTERED NUMBER: SC462631 (Scotland)

Unaudited Financial Statements for the Year Ended 31 December 2018

for

Sprang Terras Limited

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for the Year Ended 31 December 2018**

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Sprang Terras Limited

**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:

Mr E Terras
Mr A Sprang

REGISTERED OFFICE:

64 Kyle Street
Ayr
Ayrshire
KA7 1RZ

REGISTERED NUMBER:

SC462631 (Scotland)

ACCOUNTANTS:

The Collins Partnership
Chartered Accountants
Westburn Business Centre
McNee Road
Prestwick
Ayrshire
KA9 2PB

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Sprang Terras Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Profit and loss and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sprang Terras Limited for the year ended 31 December 2018 which comprise the Profit and Loss Account, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Sprang Terras Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Sprang Terras Limited and state those matters that we have agreed to state to the Board of Directors of Sprang Terras Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Sprang Terras Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Sprang Terras Limited. You consider that Sprang Terras Limited 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 financial statements of Sprang Terras Limited. 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 financial statements.

The Collins Partnership
Chartered Accountants
Westburn Business Centre
McNee Road
Prestwick
Ayrshire
KA9 2PB

20 September 2019

Balance Sheet
31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	4		12,722		16,859
CURRENT ASSETS					
Debtors	5	137,711		86,517	
Cash at bank		<u>1,479</u>		<u>717</u>	
		139,190		87,234	
CREDITORS					
Amounts falling due within one year	6	<u>77,095</u>		<u>69,826</u>	
NET CURRENT ASSETS			<u>62,095</u>		<u>17,408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			74,817		34,267
PROVISIONS FOR LIABILITIES			<u>1,576</u>		<u>2,240</u>
NET ASSETS			<u><u>73,241</u></u>		<u><u>32,027</u></u>
CAPITAL AND RESERVES					
Called up share capital	8		200		200
Retained earnings			<u>73,041</u>		<u>31,827</u>
SHAREHOLDERS' FUNDS			<u><u>73,241</u></u>		<u><u>32,027</u></u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 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 December 2018

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 20 September 2019 and were signed on its behalf by:

Mr A Sprang - Director

Mr E Terras - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

Sprang Terras 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](#).

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Going Concern

The current and future cash position of the company has been reviewed by the Directors'. This included a comprehensive review of current trading performance and of the forecasted cash requirements, covering a period beyond one year from the date of approval of the financial statements.

On this basis the Directors' consider it appropriate to prepare the financial statements on a going concern basis.

Fees earned/revenue recognition

Fees comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

Fees are presented, net of value-added tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met.

Tangible fixed assets

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

Equipment, fixtures and fittings	- 15% on reducing balance
Computer equipment	- 25% on cost

Tangible fixed assets are stated at cost less depreciation.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

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

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the terms of the lease.

Pension costs and other post-retirement benefits

The company operates a money purchase pension scheme in the form of employee personal pension plans. The contracts are between the individual and the pension provider and all funds are held externally by a third party pension provider. Pension contributions are charged to the profit and loss account in the period to which they relate.

Amounts due under contract for services

The Directors have made certain assumptions and judgements about the future in relation to services provided to clients during the year which have not been billed but are recognised on the balance sheet as at 31 December 2018. However, in order to determine the value of these services, judgement is made by the Directors' in order to value the amount due from customers in line with the fair value of the work performed. This includes any contingent elements to services provided and is also dependent on factors outside the control of the Company.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the company and short term bank deposits with an original maturity of three months or less from inception and are subject to insignificant risk of changes in value.

Impairment of fixed assets

At each reporting date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2017 - 10) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	6,811	15,973	22,784
Additions	-	708	708
At 31 December 2018	<u>6,811</u>	<u>16,681</u>	<u>23,492</u>
DEPRECIATION			
At 1 January 2018	2,025	3,900	5,925
Charge for year	463	4,382	4,845
At 31 December 2018	<u>2,488</u>	<u>8,282</u>	<u>10,770</u>
NET BOOK VALUE			
At 31 December 2018	<u>4,323</u>	<u>8,399</u>	<u>12,722</u>
At 31 December 2017	<u>4,786</u>	<u>12,073</u>	<u>16,859</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	46,039	38,030
Amounts due under contract for services	34,835	31,742
Surplus on client accounts	27,320	2,248
Directors' loan accounts	10,554	-
Prepayments and accrued income	<u>18,963</u>	<u>14,497</u>
	<u>137,711</u>	<u>86,517</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Tax	26,615	18,139
Social security and other taxes	18,890	14,333
Other creditors	12,906	10,417
Directors' loan accounts	-	6,338
Accruals and deferred income	<u>18,684</u>	<u>20,599</u>
	<u>77,095</u>	<u>69,826</u>

Any bank borrowings are secured by way of a floating charge over the whole assets of the company.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	28,694	28,694
Between one and five years	107,291	107,250
In more than five years	82,875	108,375
	<u>218,860</u>	<u>244,319</u>

The company has four ongoing operating leases in relation to office equipment and rent of office.

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
100	Ordinary "A"	1	100	100
100	Ordinary "B"	1	100	100
			<u>200</u>	<u>200</u>

9. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2018 and 31 December 2017:

	2018	2017
	£	£
Mr A Sprang		
Balance outstanding at start of year	826	7,971
Amounts advanced	239	-
Amounts repaid	(11,587)	(7,145)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(10,522)</u>	<u>826</u>
Mr E Terras		
Balance outstanding at start of year	5,512	11,295
Amounts repaid	(5,544)	(5,783)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(32)</u>	<u>5,512</u>

The amount shown as due on the directors loan accounts is interest free and was repaid within 9 months of the year end.

During the year the company paid rent of £25,500 to the wife of one of the Director's for the use of the offices at 64 Kyle Street, Ayr (2017: £25,500).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

10. ULTIMATE CONTROLLING PARTY

The company is under the joint control of Mr E Terras and Mr A Sprang by virtue of their 100% holding in 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.