

**SORRELL (YORK) LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**  
**PAGES FOR FILING WITH REGISTRAR**

**Company Registration No. 00581869 (England and Wales)**

# SORRELL (YORK) LTD

## CONTENTS

---

	<b>Page</b>
Statement of financial position	1 - 2
Notes to the financial statements	3 - 8

---

# SORRELL (YORK) LTD

## STATEMENT OF FINANCIAL POSITION

*AS AT 30 JUNE 2017*

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Property, plant and equipment	3		115,635		137,466
<b>Current assets</b>					
Inventories		94,604		202,222	
Trade and other receivables	4	384,341		528,569	
Cash and cash equivalents		331,558		160,291	
		<u>810,503</u>		<u>891,082</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(618,163)</u>		<u>(681,598)</u>	
<b>Net current assets</b>			192,340		209,484
<b>Total assets less current liabilities</b>			307,975		346,950
<b>Non-current liabilities</b>	6		(144,435)		(183,637)
<b>Provisions for liabilities</b>			<u>(15,529)</u>		<u>(13,932)</u>
<b>Net assets</b>			<u>148,011</u>		<u>149,381</u>
<b>Capital and reserves</b>					
Called up share capital	7		119		119
Share premium account			27,981		27,981
Capital redemption reserve			40,000		40,000
Retained earnings			79,911		81,281
<b>Total equity</b>			<u>148,011</u>		<u>149,381</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

## **SORRELL (YORK) LTD**

### **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 30 JUNE 2017***

---

The financial statements were approved by the board of directors and authorised for issue on 26 February 2018 and are signed on its behalf by:

Mr L Machen  
**Director**

**Company Registration No. 00581869**

# **SORRELL (YORK) LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

---

### **1 Accounting policies**

#### **Company information**

Sorrell (York) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Little Hallfield House, Little Hallfield Road, York, YO31 7XD.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of Sorrell (York) Ltd prepared in accordance with FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Revenue**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.3 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# SORRELL (YORK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33.3% straight line
Office equipment	33.3% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 extent 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SORRELL (YORK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

---

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# SORRELL (YORK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.14 Preference shares classed as liabilities**

The £113,000 (2016 - £131,000) Cumulative preference shares have been disclosed within creditors and the dividends paid on these preference shares are shown within interest paid.



# SORRELL (YORK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2017**

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 48 (2016 - 43).

### 3 Property, plant and equipment

	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2016	42,165	33,484	261,340	336,989
Additions	-	4,520	25,400	29,920
Disposals	-	-	(35,495)	(35,495)
At 30 June 2017	42,165	38,004	251,245	331,414
<b>Depreciation and impairment</b>				
At 1 July 2016	42,165	29,447	127,911	199,523
Depreciation charged in the year	-	5,543	38,738	44,281
Eliminated in respect of disposals	-	-	(28,025)	(28,025)
At 30 June 2017	42,165	34,990	138,624	215,779
<b>Carrying amount</b>				
At 30 June 2017	-	3,014	112,621	115,635
At 30 June 2016	-	4,037	133,429	137,466

### 4 Trade and other receivables

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade receivables	215,365	368,860
Amounts owed by group undertakings	159,252	149,653
Other receivables	9,724	10,056
	384,341	528,569

### 5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade payables	347,831	505,771
Corporation tax	51,146	46,367
Other taxation and social security	111,791	42,316
Other payables	107,395	87,144
	618,163	681,598

# SORRELL (YORK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 30 JUNE 2017*

**6 Non-current liabilities**

	2017 £	2016 £
Other payables	144,435	183,637

Hire purchase accounts of £71,540 are secured on the assets of the company.

**7 Called up share capital**

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
30 'A' ordinary shares of £1 each	30	30
45 'B' ordinary shares of £1 each	45	45
15 'C' ordinary shares of £1 each	15	15
10 'D' ordinary shares of £1 each	10	10
10 'E' ordinary shares of £1 each	10	10
9 'F' ordinary shares of £1 each	9	9
	<u>119</u>	<u>119</u>

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.