
COMMERCIAL MANAGEMENT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

COMMERCIAL MANAGEMENT LIMITED
REGISTERED NUMBER: 02018783

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	6	-	7,276
Tangible assets	7	5,619	41,693
Investments	8	101,674	101,674
		<u>107,293</u>	<u>150,643</u>
Current assets			
Debtors: amounts falling due within one year	9	199,277	584,693
Cash at bank and in hand	10	306,312	109,461
		<u>505,589</u>	<u>694,154</u>
Creditors: amounts falling due within one year	11	(274,153)	(261,165)
Net current assets		<u>231,436</u>	<u>432,989</u>
Total assets less current liabilities		<u>338,729</u>	<u>583,632</u>
Net assets		<u><u>338,729</u></u>	<u><u>583,632</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		338,629	583,532
		<u><u>338,729</u></u>	<u><u>583,632</u></u>

COMMERCIAL MANAGEMENT LIMITED
REGISTERED NUMBER: 02018783

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider 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 Companies Act 2006.

The directors acknowledge their 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 comprehensive income 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:

.....
Mrs M Warner

Director

Date: 8 August 2019

The notes on pages 3 to 10 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	100	412,269	412,369
Profit for the year	-	371,263	371,263
Dividends: Equity capital	-	(200,000)	(200,000)
At 1 January 2018	100	583,532	583,632
Loss for the year	-	(57,403)	(57,403)
Dividends: Equity capital	-	(187,500)	(187,500)
At 31 December 2018	100	338,629	338,729

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Commercial Management Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Patman House, 23-27 Electric Parade, George Lane, London, E18 2LS.

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 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 service agreement 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 service agreement;

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquire at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life. The useful life has been estimated to be five years and Goodwill is being amortised accordingly.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Furniture, fittings and equipment	-	25%

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 the statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 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 the statement of comprehensive income 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.

2.13 Taxation

Tax is recognised in the statement of comprehensive income, 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.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2017 - 8).

COMMERCIAL MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	94,950
Total current tax	<u>-</u>	<u>94,950</u>

Factors affecting tax charge for the year

The company is corporate partner in a film industry scheme. Details of the investment is included in note 9 to the financial statements. The investment made in the scheme qualified for favourable tax treatment. In 2010 and 2012 the company has claimed tax relief related to the initial cost of production losses which had the effect of reducing the overall tax liability by approximately £118,000.

There is an ongoing dispute with HMRC related to this scheme. Based on advice received, the directors consider the company to be fully entitled to claim this relief. However, the company received an accelerated payment demand from HMRC for a total of £117,726. This was paid in 13 September 2016. If the ongoing enquiry finds that the tax treatment in respect of the scheme was correct, then this amount will be repaid. The Upper Tribunal has ruled in favour of HMRC that the film industry scheme was not carrying on a trade. The film partnership is likely to appeal against this decision.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. Dividends

	2018 £	2017 £
Ordinary 'A'		
Interim dividend at £782.82 per share (2017: £1,797.98)	166,500	178,000
Ordinary 'B'		
Interim dividend at £10,000 per share (2017: £22,000)	21,000	22,000
	<u>187,500</u>	<u>200,000</u>

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Intangible assets

	Goodwill £
Cost	
At 1 January 2018	15,055
At 31 December 2018	15,055
Amortisation	
At 1 January 2018	7,779
Charge for the year	7,276
At 31 December 2018	15,055
Net book value	
At 31 December 2018	-
At 31 December 2017	<u>7,276</u>

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Tangible fixed assets

	Motor vehicles	Fixtures & fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2018	39,395	68,159	107,554
Additions	-	4,022	4,022
Disposals	(39,395)	(47,169)	(86,564)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	25,012	25,012
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2018	13,788	52,073	65,861
Charge for the year on owned assets	6,402	4,194	10,596
Disposals	(20,190)	(36,874)	(57,064)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	19,393	19,393
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2018	-	5,619	5,619
	<hr/>	<hr/>	<hr/>
At 31 December 2017	<u>25,607</u>	<u>16,086</u>	<u>41,693</u>

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Fixed asset investments

	Other fixed asset investments £
Cost/valuation	
At 1 January 2018	101,674
At 31 December 2018	<u>101,674</u>

In 2010, 2012 and 2013 the company made investments in a film partnership.

9. Debtors

	2018 £	2017 £
Trade debtors	16,599	501,375
Other debtors	33,073	33,753
Prepayments and accrued income	149,605	49,565
	<u>199,277</u>	<u>584,693</u>

10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>306,312</u>	<u>109,461</u>

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	42,394	25,933
Corporation tax	-	94,950
Other taxation and social security	168,067	102,497
Other creditors	34,203	31,268
Accruals and deferred income	29,489	6,516
	<u>274,153</u>	<u>261,164</u>

Other creditors includes:

a) an amount of £23,938 (2017: £13,194) due to one of the directors, Mr N Welby. This loan was advanced on an interest free and unsecured basis.

b) a loan of £5,350 (2017: £5,782) from Ingenious Resources Limited. There are legal charges registered in connection with this loan which are secured against the cost of the investment in the film partnership.

12. Pension commitments

The company operates a defined contribution scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension contributions paid in the year amounted to £67,093 (2017: £54,638).

The company also operates a stakeholder pension scheme on behalf of the employees. The pension contributions paid in the year amounted to £73,291 (2017: £40,121).

The company also contributes to a private pension scheme on behalf of one employee and one director. The pension contributions paid in the year amounted to £38,569 (2017: £46,052).

COMMERCIAL MANAGEMENT LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF COMMERCIAL MANAGEMENT LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Commercial Management Limited for the year ended 31 December 2018 which comprise the statement of financial position, the statement of changes in equity 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 the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Commercial Management Limited, as a body, in accordance with the terms of our engagement letter dated 16/8/18. Our work has been undertaken solely to prepare for your approval the financial statements of Commercial Management Limited and state those matters that we have agreed to state to the board of directors of Commercial Management Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Commercial Management Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Commercial Management 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 loss of Commercial Management Limited. You consider that Commercial Management Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Commercial Management 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.

Gibson Appleby

Chartered Accountants

1-3 Ship Street
Shoreham by Sea
West Sussex
BN43 5DH
4 September 2019

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.