

Signs Direct (UK) Ltd

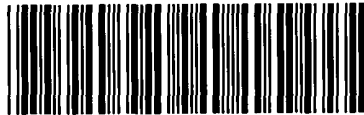
Unaudited Financial Statements

Year Ended

31 May 2017

Company Number 03198731

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Signs Direct (UK) Ltd
Registered number: 03198731

Balance Sheet
As at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	306,888	218,262
Current assets			
Stocks	6	113,000	101,050
Debtors: amounts falling due within one year	7	747,970	611,189
Cash at bank and in hand	8	1,160	190
		<u>862,130</u>	<u>712,429</u>
Creditors: amounts falling due within one year	9	<u>(838,486)</u>	<u>(712,073)</u>
Net current assets		23,644	356
Total assets less current liabilities		330,532	218,618
Creditors: amounts falling due after more than one year	10	(166,571)	(159,625)
Provisions for liabilities			
Deferred tax	13	(33,279)	(14,199)
Net assets		130,682	44,794
Capital and reserves			
Called up share capital		200	200
Profit and loss account		130,482	44,594
		<u>130,682</u>	<u>44,794</u>

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.

Signs Direct (UK) Ltd
Registered number: 03198731

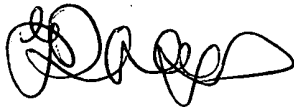
Balance Sheet (continued)
As at 31 May 2017

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:

Mrs T Donegan
Director



Date:

18-12-17

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

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

1. General information

Signs Direct (UK) Ltd is a company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is 31 Chertsey Street, Guildford, Surrey GU1 4HD.

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 date of transition to FRS102 was 1 June 2015. The last set of accounts prepared under previous UK GAAP framework were for the year ended 31 May 2016.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Invoices are raised on completion of production of signage and fitting. Income is accrued for any unbilled work at the year end date.

2.3 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 15% reducing balance
Computer equipment	- 33% straight line

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 Income and Retained Earnings.

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.4 Stocks

Stocks 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.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 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.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments 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 related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and 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 Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 25 (2016 - 25).

4. Dividends

	2017 £	2016 £
Dividends	9,947	-

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

5. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 June 2016	185,731	162,774	31,489	11,884	391,878
Additions	150,710	-	1,048	5,251	157,009
At 31 May 2017	336,441	162,774	32,537	17,135	548,887
Depreciation					
At 1 June 2016	84,006	59,120	20,605	9,884	173,615
Charge for the year on owned assets	8,237	1,067	1,789	2,739	13,832
Charge for the year on financed assets	29,629	24,923	-	-	54,552
At 31 May 2017	121,872	85,110	22,394	12,623	241,999
Net book value					
At 31 May 2017	214,569	77,664	10,143	4,512	306,888
At 31 May 2016	101,725	103,654	10,883	2,000	218,262

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	167,896	48,025
Motor vehicles	74,768	99,691
	242,664	147,716

6. Stocks

	2017 £	2016 £
Work in progress	53,000	49,050
Finished goods	60,000	52,000
	113,000	101,050

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

7. Debtors

	2017 £	2016 £
Trade debtors	417,663	327,667
Other debtors	329,231	278,129
Prepayments and accrued income	1,076	5,393
	<u>747,970</u>	<u>611,189</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,160	190
Less: bank overdrafts	(72,975)	(72,419)
	<u>(71,815)</u>	<u>(72,229)</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	72,975	72,419
Bank loans	18,337	17,534
Trade creditors	231,716	229,685
Corporation tax	15,347	7,652
Other taxation and social security	56,484	45,767
Obligations under finance lease and hire purchase contracts	98,692	66,970
Proceeds of factored debts	292,276	213,889
Other creditors	47,704	54,331
Accruals and deferred income	4,955	3,826
	<u>838,486</u>	<u>712,073</u>

The monies owed under the invoice finance account are secured by a fixed and floating charge over all the company's assets that the company entered into on 15 April 2016.

The monies owed under hire purchase contracts are secured against the underlying assets.

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	51,354	69,691
Net obligations under finance leases and hire purchase contracts	115,217	89,934
	<u>166,571</u>	<u>159,625</u>

The bank loan is secured by personal guarantees from the directors.

The monies owed under hire purchase contracts are secured against the underlying assets.

11. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	18,337	17,534
Amounts falling due 1-2 years		
Bank loans	19,177	18,337
Amounts falling due 2-5 years		
Bank loans	32,177	51,354
	<u>69,691</u>	<u>87,225</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	74,503	66,971
Between 1-2 years	40,235	61,976
Between 2-5 years	20,847	27,958
	<u>135,585</u>	<u>156,905</u>

Signs Direct (UK) Ltd

Notes to the Financial Statements For the Year Ended 31 May 2017

13. Deferred taxation

	2017 £
At beginning of year	(14,199)
Charged to profit or loss	(19,080)
At end of year	(33,279)

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(33,279)
	(33,279)

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
189 Ordinary shares of £1 each	189	189
5 "A" Ordinary shares of £1 each	5	5
6 "B" Ordinary shares of £1 each	6	6
	200	200

15. 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 £1,458 (2016 - £nil). Contributions totalling £553 (2016 - £nil) were payable to the fund at the balance sheet date.

16. Related party transactions

As at 31 May 2017 the company was owed £259,548 (2016: £212,326) by Mr and Mrs Donegan, directors of the company.

During the year the directors received dividends of £9,947 (2016: £nil).