

CINTRA HR & PAYROLL SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
PAGES FOR FILING WITH REGISTRAR



CINTRA HR & PAYROLL SERVICES

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BALANCE SHEET

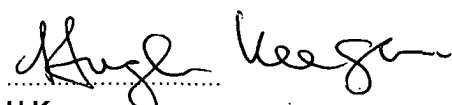
AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	4	1,155,000		1,245,000	
Tangible assets	5	585,443		614,040	
Current assets					
Stocks		3,123		3,123	
Debtors	6	1,490,956		1,347,991	
Cash at bank and in hand		1,740,272		1,552,310	
		<u>3,234,351</u>		<u>2,903,424</u>	
Creditors: amounts falling due within one year	7	<u>(1,023,350)</u>		<u>(1,003,673)</u>	
Net current assets		<u>2,211,001</u>		<u>1,899,751</u>	
Total assets less current liabilities		<u>3,951,444</u>		<u>3,758,791</u>	
Creditors: amounts falling due after more than one year	8	(655,435)		(961,849)	
Provisions for liabilities		<u>(37,119)</u>		<u>(42,109)</u>	
Net assets		<u><u>3,258,890</u></u>		<u><u>2,754,833</u></u>	
Capital and reserves					
Called up share capital	10	100		100	
Other reserves	11	25,740		38,127	
Profit and loss reserves		<u>3,233,050</u>		<u>2,716,606</u>	
Total equity		<u><u>3,258,890</u></u>		<u><u>2,754,833</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 8/3/2019 and are signed on its behalf by:



H Keegan
Director

Company Registration No. 03248469

CINTRA HR & PAYROLL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Cintra HR & Payroll Services is a private company limited by shares incorporated in England and Wales. The registered office is Computer House, 353 High Street, Gateshead, Tyne and Wear, NE8 1ET.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents invoiced sales of goods and services, excluding value added tax. Revenue is recognised in the following ways for each revenue stream:

Payroll bureau services - revenue from payroll bureau services is recognised on a straight line basis over the period to which the bureau service relates.

Software implementation services - revenue is recognised as work is performed. For fixed price implementation projects, revenue is recognised based on the stage of completion of the work, taking into account expected costs to completion.

Software maintenance services - revenue is recognised on a straight-line basis over the period to which the maintenance service relates.

To the extent that invoicing profiles, per customer agreements, differ from revenue recognition as described above, adjustments are made through other debtors and other creditors as required.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a straight line basis over its expected life of 20 years for goodwill on the incorporation of the company and 2 years for purchased goodwill.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Long term leasehold property	2% straight line
Plant and machinery	33% reducing balance and 7-20% straight line
Fixtures, fittings and equipment	15%-33% straight line

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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.

1.5 Impairment of fixed assets

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

1.6 Stocks

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

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 balance sheet 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 debtors 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 creditors and loans from related parties 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 receipts 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 creditors 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 creditors 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.

CINTRA HR & PAYROLL SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 profit and loss account, 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.

1.10 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 fixed 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8,500	6,950

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was;

	2018 Number	2017 Number
Office and management	4	4
Production	87	87
	<u>91</u>	<u>91</u>

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2017 and 30 June 2018	<u>1,807,896</u>
Amortisation and impairment	
At 1 July 2017	562,896
Amortisation charged for the year	<u>90,000</u>
At 30 June 2018	<u>652,896</u>
Carrying amount	
At 30 June 2018	<u>1,155,000</u>
At 30 June 2017	<u>1,245,000</u>

Goodwill is made up of amounts purchased on incorporation of the business and other purchased goodwill. Purchased goodwill is amortised over the useful life of 2 years. Goodwill on incorporation is amortised over the useful life of 20 years. The directors believe this life to be reasonable and appropriate based on the long life of other software products in the market, the high product development costs as part of the barrier to market entry, the conservative behaviour of customers and the relative stability of the market.

CINTRA HR & PAYROLL SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

5 Tangible fixed assets

	Long term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2017	400,000	434,885	56,818	891,703
Additions	-	69,588	678	70,266
At 30 June 2018	400,000	504,473	57,496	961,969
Depreciation and impairment				
At 1 July 2017	57,333	205,218	15,112	277,663
Depreciation charged in the year	8,000	74,312	16,551	98,863
At 30 June 2018	65,333	279,530	31,663	376,526
Carrying amount				
At 30 June 2018	334,667	224,943	25,833	585,443
At 30 June 2017	342,667	229,667	41,706	614,040

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,380,624	1,185,902
Other debtors	110,332	162,089
	1,490,956	1,347,991

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	82,542	136,250
Corporation tax	155,022	142,056
Other taxation and social security	106,023	135,571
Other creditors	679,763	589,796
	1,023,350	1,003,673

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	655,435	961,849

Creditors which fall due after five years are as follows:

	2018 £	2017 £
Payable by instalments	-	11,817

9 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities	37,119	42,109

10 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
100 Ordinary shares of £1 each	100	100

11 Other reserves

Other reserves are made up of amounts recognised as unrealised profits or losses on the initial recognition of financial instruments at the present value of the future payments discounted at a market rate of interest for a similar debt instrument, and subsequently measured at amortised cost.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
Total commitments	28,400	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

13 Financial guarantees and contingent liabilities

Bank guarantees given by the company are secured by a first legal mortgage and mortgage debenture, dated 20 December 2010, over all assets of the company and Computer House. Computer House, a property included within tangible fixed assets, has a net book value at the year end of £334,667 (2017 - £342,667).

During the year ended 2016, one of the directors personally guaranteed a loan, of which £40,609 (2017 - £47,877) is included within other creditors falling due within one year and £142,546 (2017 - £185,022) is included within other creditors falling due after one year.

No liabilities are expected to arise in respect of the above guarantees.

14 Related party transactions

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts owed to related parties		
Director loans	541,205	797,237

15 Directors' transactions

Dividends totalling £75,000 (2017 - £70,000) were paid in the year in respect of shares held by the company's directors.

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Stephen Slater.

The auditor was RMT Accountants & Business Advisors Ltd.