

D J Mitchell Limited

Annual Report and Unaudited Financial Statements
for the Period from 1 July 2017 to 5 September 2018

D J Mitchell Limited

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D J Mitchell Limited

Company Information

Directors	Mr B G Chiuriri Mr R Guo
Registered office	130-132 Newbegin Hornsea East Yorkshire HU18 1PB

D J Mitchell Limited**(Registration number: 03788653)****Balance Sheet as at 5 September 2018**

		5 September 2018 £	30 June 2017 £
	Note		
Fixed assets			
Intangible assets	<u>4</u>	17,840	42,840
Tangible assets	<u>5</u>	6,159	5,024
		<u>23,999</u>	<u>47,864</u>
Current assets			
Stocks		50,465	51,541
Debtors	<u>6</u>	218,549	91,977
Cash at bank and in hand		49,105	248,343
		<u>318,119</u>	<u>391,861</u>
Creditors: Amounts falling due within one year	<u>7</u>	(99,384)	(164,210)
Net current assets		<u>218,735</u>	<u>227,651</u>
Total assets less current liabilities		242,734	275,515
Deferred tax liabilities	<u>8</u>	(1,170)	(955)
Net assets		<u>241,564</u>	<u>274,560</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		241,464	274,460
Total equity		<u>241,564</u>	<u>274,560</u>

For the financial period ending 5 September 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 4 June 2019 and signed on its behalf by:

.....

Mr B G Chiuriri
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
130-132 Newbegin
Hornsea
East Yorkshire
HU18 1PB

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	15% reducing balance basis

Goodwill

Goodwill is amortised over its useful life, estimated by the directors to be 20 years.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was as follows:

	1 July 2017 to 5 September 2018	Year ended 30 June 2017
	No.	No.
Average number of employees	<u>6</u>	<u>9</u>

D J Mitchell Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018

4 Intangible assets

	Goodwill £
Cost	
At 1 July 2017	300,000
At 5 September 2018	300,000
Amortisation	
At 1 July 2017	257,160
Amortisation charge	25,000
At 5 September 2018	282,160
Carrying amount	
At 5 September 2018	17,840
At 30 June 2017	42,840

5 Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 July 2017	26,521	26,521
Additions	2,177	2,177
At 5 September 2018	28,698	28,698
Depreciation		
At 1 July 2017	21,497	21,497
Charge for the period[]	1,042	1,042
At 5 September 2018	22,539	22,539
Carrying amount		
At 5 September 2018	6,159	6,159
At 30 June 2017	5,024	5,024

6 Debtors

		5 September 2018 £	30 June 2017 £
Trade debtors		80,398	79,365
Amounts owed by related parties	<u>10</u>	658	-
Other debtors		136,517	11,015
Prepayments		976	1,597
		218,549	91,977

D J Mitchell Limited**Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018****7 Creditors****Creditors: amounts falling due within one year**

	Note	5 September 2018 £	30 June 2017 £
Due within one year			
Trade creditors		78,315	137,257
Other creditors		-	7,618
Accrued expenses		6,682	4,335
Corporation tax liability		14,387	15,000
		<u>99,384</u>	<u>164,210</u>

Security provided over assets of the company, in respect of a mortgage debenture repaid previously by the company, was satisfied on 16 August 2018.

8 Deferred tax**Deferred tax assets and liabilities**

2018	Liability £
Capital allowances in advance of depreciation	1,170
	<u> </u>
2017	Liability £
Capital allowances in advance of depreciation	955
	<u> </u>

9 Financial commitments, guarantees and contingencies**Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £1,620 (2017 - £134,140).

D J Mitchell Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 5 September 2018

10 Related party transactions

Summary of transactions with key management

Key management personnel are considered to be the directors of the company.

As at 5 September 2018 the company was owed £658 by D J Mitchell, director (2017 - the company owed £7,618 to D J Mitchell, director). There are no fixed repayment terms and the loan is interest free.

Transactions with directors

	Advances to directors £	At 5 September 2018 £
2018		
Mr D J Mitchell		
Interest free director's loan	658	658

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.