

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd

trading as David H. Smith Funeral Directors

Annual Report and Unaudited Financial Statements
for the Period from 1 December 2017 to 26 July 2018

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
trading as David H. Smith Funeral Directors

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David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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Company Information

Directors	Mr S J Barrick Mr G A D Whittaker
Registered office	Suite C, Annie Reed Court Annie Reed Road Beverley HU17 0LF

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
trading as David H. Smith Funeral Directors

(Registration number: 04247467)
Balance Sheet as at 26 July 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>5</u>	213,683	245,717
Current assets			
Stocks	<u>6</u>	23,766	18,566
Debtors	<u>7</u>	157,261	99,832
Cash at bank and in hand		584,257	499,229
		765,284	617,627
Creditors: Amounts falling due within one year	<u>8</u>	(66,387)	(46,926)
Net current assets		698,897	570,701
Total assets less current liabilities		912,580	816,418
Creditors: Amounts falling due after more than one year	<u>8</u>	(17,589)	(19,661)
Provisions for liabilities		(12,795)	(17,325)
Net assets		882,196	779,432
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		882,096	779,332
Total equity		882,196	779,432

For the financial period ending 26 July 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.

The notes on pages 4 to 10 form an integral part of these financial statements.

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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(Registration number: 04247467)
Balance Sheet as at 26 July 2018

Approved and authorised by the Board on 30 November 2018 and signed on its behalf by:

.....

Mr S J Barrick
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

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David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
trading as David H. Smith Funeral Directors

Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

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:
Suite C, Annie Reed Court
Annie Reed Road
Beverley
HU17 0LF

The principal place of business is:
Fountain House
17-21 Fountain Street
Leek
Staffordshire
ST13 6JS

These financial statements were authorised for issue by the Board on 30 November 2018.

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 that as disclosed in the accounting policies certain items are shown at fair value.

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.

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 profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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
Land and buildings	5% per annum straight line basis
Fixtures and fittings	20% per annum reducing balance basis
Plant and machinery	20% per annum reducing balance basis
Motor vehicles	20% per annum reducing balance basis

Goodwill

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. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% per annum amortisation

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
trading as David H. Smith Funeral Directors

Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 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. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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 receivables.

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.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are 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.

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 subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 12 (2017 - 13).

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 December 2017	15,000	15,000
At 26 July 2018	15,000	15,000
Amortisation		
At 1 December 2017	15,000	15,000
At 26 July 2018	15,000	15,000
Carrying amount		
At 26 July 2018	-	-

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 December 2017	124,368	52,957	276,486	13,671	467,482
At 26 July 2018	124,368	52,957	276,486	13,671	467,482
Depreciation					
At 1 December 2017	7,732	45,091	166,208	2,734	221,765
Charge for the period	6,218	1,573	22,056	2,187	32,034
At 26 July 2018	13,950	46,664	188,264	4,921	253,799
Carrying amount					
At 26 July 2018	110,418	6,293	88,222	8,750	213,683
At 30 November 2017	116,636	7,866	110,278	10,937	245,717

6 Stocks

	2018 £	2017 £
Other inventories	23,766	18,566

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
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Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

7 Debtors

	2018	2017
	£	£
Trade debtors	81,727	76,940
Prepayments	2,689	6,214
Other debtors	72,845	16,678
	<u>157,261</u>	<u>99,832</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2018	2017
		£	£
Due within one year			
Bank loans and overdrafts	<u>10</u>	3,502	3,367
Trade creditors		7,282	13,268
Accruals and deferred income		8,064	2,080
Other creditors		47,539	28,211
		<u>66,387</u>	<u>46,926</u>

Creditors: amounts falling due after more than one year

	Note	2018	2017
		£	£
Due after one year			
Loans and borrowings	<u>10</u>	<u>17,589</u>	<u>19,661</u>

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

David H. Smith Funeral Directors (Inc. Mellor & Smith) Ltd
trading as **David H. Smith Funeral Directors**

Notes to the Financial Statements for the Period from 1 December 2017 to 26 July 2018

10 Loans and borrowings

	2018	2017
	£	£
Non-current loans and borrowings		
Finance lease liabilities	<u>17,589</u>	<u>19,661</u>

	2018	2017
	£	£
Current loans and borrowings		
Finance lease liabilities	<u>3,502</u>	<u>3,367</u>

Other borrowings

Hire Purchase Finance is denominated in sterling with a nominal interest rate of 20.38%, and the final instalment is due on 31 July 2020. The carrying amount at period end is £21,091 (2017 - £23,027).

The loan is secured on the asset being acquired under the hire purchase finance agreement

11 Parent and ultimate parent undertaking

The company's immediate parent is Beverley Funerals Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House

12 Non adjusting events after the financial period

On 26th July 2018 Beverley Funerals Ltd acquired 100% of the share capital of the company resulting in the company becoming a wholly owned subsidiary.

After the year end, on 27th July 2018, a hive up was performed to transfer all of the company's trade, assets, goodwill, and liabilities to the parent company Beverley Funerals Limited. The financial effect of this was to reduce the company's capital and reserves to £100 represented by 100 ordinary shares of £1. The company remains dormant following the hive up to Beverley Funerals Ltd.

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.