
M J KLOSS PAINTING AND DECORATING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

M J KLOSS PAINTING AND DECORATING LIMITED
REGISTERED NUMBER:04428242

BALANCE SHEET
AS AT 30 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	8,750	10,500
Tangible assets	5	11,408	13,722
		<u>20,158</u>	<u>24,222</u>
Current assets			
Stocks	6	35,801	37,060
Debtors	7	190,835	146,684
Cash at bank and in hand	8	177,349	151,572
		<u>403,985</u>	<u>335,316</u>
Creditors: amounts falling due within one year	9	(315,555)	(220,690)
Net current assets		<u>88,430</u>	<u>114,626</u>
Total assets less current liabilities		<u>108,588</u>	<u>138,848</u>
Net assets		<u>108,588</u>	<u>138,848</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		108,488	138,748
Shareholders' funds		<u>108,588</u>	<u>138,848</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.

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 on 2 November 2017.

M Kloss

Director

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

1. General information

The Company is incorporated in England and Wales and is limited by shares. The registered office is located at 8 Seaforth Avenue, New Malden, Surrey, KT6 6JP.

The company's principal activity during the year continued to be the provision of painting and decorating services.

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 members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of 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 contract 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 contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

2. Accounting policies (continued)

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 acquiree 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 income and retained earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

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

Depreciation is provided on the following basis:

Plant & machinery	-	15%	
			reducing balance
Motor vehicles	-	20%	
			straight-line
Office equipment	-	25%	
			reducing balance

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.

2.5 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. Work in progress and finished goods include labour and attributable overheads.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

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 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, loans to related parties and investments in non-puttable ordinary shares.

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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.11 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.

2.12 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.

2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

2. Accounting policies (continued)**2.14 Interest income**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.15 Taxation

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.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2016 - 14).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 May 2016	35,000
At 30 April 2017	35,000
Amortisation	
At 1 May 2016	24,500
Charge for the year	1,750
At 30 April 2017	26,250
Net book value	
At 30 April 2017	8,750
At 30 April 2016	10,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

5. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 May 2016	19,842	35,189	6,714	61,745
Additions	-	-	1,757	1,757
At 30 April 2017	<u>19,842</u>	<u>35,189</u>	<u>8,471</u>	<u>63,502</u>
Depreciation				
At 1 May 2016	17,772	23,892	6,359	48,023
Charge for the year on owned assets	311	3,233	528	4,072
At 30 April 2017	<u>18,083</u>	<u>27,125</u>	<u>6,887</u>	<u>52,095</u>
Net book value				
At 30 April 2017	<u><u>1,759</u></u>	<u><u>8,064</u></u>	<u><u>1,584</u></u>	<u><u>11,407</u></u>
At 30 April 2016	<u><u>2,070</u></u>	<u><u>11,297</u></u>	<u><u>355</u></u>	<u><u>13,722</u></u>

6. Stocks

	2017 £	2016 £
Work in progress (goods to be sold)	<u>35,801</u>	<u>37,060</u>
	<u><u>35,801</u></u>	<u><u>37,060</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

7. Debtors

	2017 £	2016 £
Due after more than one year		
Other debtors	55,349	48,683
	<u>55,349</u>	<u>48,683</u>
Due within one year		
Trade debtors	18,719	16,716
Amounts owed by participating interests	2,004	-
Other debtors	103,778	71,138
Prepayments and accrued income	10,986	10,147
	<u>190,836</u>	<u>146,684</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	177,349	151,572
	<u>177,349</u>	<u>151,572</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	163,422	120,210
Corporation tax	27,301	38,250
Other taxation and social security	102,212	56,153
Other creditors	17,620	1,477
Accruals and deferred income	5,000	4,600
	<u>315,555</u>	<u>220,690</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

10. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	177,349	151,572
	<u>177,349</u>	<u>151,572</u>

Financial assets measured at fair value through profit or loss comprise cash.

11. 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 £5,462 (2016 - £NIL). Contributions totalling £378 (2016 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

12. Transactions with directors

Included in other creditors due within one year is a loan from the directors, M Kloss and Mrs S Kloss amounting to £(15,135) [2016 - £(714)].

13. Related party transactions

During the year the company made a loan to A Kloss , an associate of the directors M Kloss and Mrs S Kloss, amounting to £2,250 (2016 - £NIL).

At the end of the year an outstanding amount of £2,004 [2016 - £NIL] was due from A Kloss. This amount is included in debtors due within one year. interest has been charged above the H.M. Revenue and Customs official rate and the loan was repaid within 9 months of the year end.

14. Controlling party

The company was controlled throughout the current and previous period by its directors, M Kloss and Mrs S Kloss by virtue of the fact that between them they own the majority of the company's ordinary share capital.

15. First time adoption of FRS 102

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.

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