
Michael Hadi Associates Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 March 2019

Michael Hadi Associates Limited
Registered number: 04718155

Statement of financial position
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	18,750	22,500
Tangible assets	6	10,861	11,536
		<u>29,611</u>	<u>34,036</u>
Current assets			
Debtors: amounts falling due within one year	7	162,833	145,841
Cash at bank and in hand	8	218,659	332,238
		<u>381,492</u>	<u>478,079</u>
Creditors: amounts falling due within one year	9	(150,716)	(235,354)
		<u>230,776</u>	<u>242,725</u>
Net current assets			
		<u>260,387</u>	<u>276,761</u>
Total assets less current liabilities			
Provisions for liabilities			
Other provisions	10	(259,034)	(232,593)
		<u>(259,034)</u>	<u>(232,593)</u>
Net assets			
		<u><u>1,353</u></u>	<u><u>44,168</u></u>
Capital and reserves			
Called up share capital		121	118
Share premium account		1,035	905
Capital redemption reserve		5	5
Profit and loss account		192	43,140
		<u><u>1,353</u></u>	<u><u>44,168</u></u>

Statement of financial position (continued)
As at 31 March 2019

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 comprehensive income 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 17 December 2019.

Michael Hadi
Director

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

Notes to the financial statements
For the Year Ended 31 March 2019

1. General information

Michael Hadi Associates Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

The presentation currency of the financial statement is the Pound Sterling (£).

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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 31 March 2019**

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

**Notes to the financial statements
For the Year Ended 31 March 2019**

2. Accounting policies (continued)

2.7 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 comprehensive income over its useful economic life.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

2.8 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:

Furniture, fittings and equipments	- 20% to 50%
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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 comprehensive income.

2.9 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.

2.10 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.

Notes to the financial statements
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.11 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.

2.12 Long term contracts

Profit on long term contract is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that portion of total contract value which cost incurred to date bear to total expected cost for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.13 Financial instruments

The Company only enters into basic financial instrument 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 the 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 comprehensive income.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

Notes to the financial statements
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.13 Financial instruments (continued)

2.14 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management are required to make estimates and judgements which may materially affect reported income, expenses, assets, liabilities or disclosure of contingent assets and liabilities. The estimates and assumptions are reviewed on an on-going basis and are based on historical experience and other factors that are considered to be relevant. Revision to accounting estimates are recognised in the period in which the estimate is revised.

4. Employees

The average monthly number of employees, including directors, during the year was 14 (2018 - 12).

5. Intangible assets

	Goodwill £
Cost	
At 1 April 2018	75,000
At 31 March 2019	<u>75,000</u>
Amortisation	
At 1 April 2018	52,500
Charge for the year	3,750
At 31 March 2019	<u>56,250</u>
Net book value	
At 31 March 2019	<u><u>18,750</u></u>
At 31 March 2018	<u><u>22,500</u></u>

Notes to the financial statements
For the Year Ended 31 March 2019

6. Tangible fixed assets

	Fixture, fittings and equipment £
Cost or valuation	
At 1 April 2018	65,696
Additions	2,040
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At 31 March 2019	67,736
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Depreciation	
At 1 April 2018	54,160
Charge for the year on owned assets	2,715
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At 31 March 2019	56,875
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Net book value	
At 31 March 2019	10,861
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At 31 March 2018	11,536
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7. Debtors

	2019 £	2018 £
Trade debtors	111,764	105,992
Other debtors	33,159	23,152
Prepayments and accrued income	17,910	16,697
	<hr/>	<hr/>
	162,833	145,841
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Michael Hadi Associates Limited

Notes to the financial statements
For the Year Ended 31 March 2019

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	218,659	332,238
	<u>218,659</u>	<u>332,238</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Payments received on account	56,709	138,620
Trade creditors	16,426	7,230
Corporation tax	19,978	17,362
Other taxation and social security	48,941	66,405
Other creditors	3,001	3,237
Accruals and deferred income	5,661	2,500
	<u>150,716</u>	<u>235,354</u>

10. Provisions

	Loss provision on contracts £
At 1 April 2018	232,593
Charged to profit or loss	26,441
At 31 March 2019	<u>259,034</u>

Notes to the financial statements
For the Year Ended 31 March 2019

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
85 (2018 - 85) Ordinary A Shares shares of £1.00 each	85.00	85.00
15 (2018 - 15) Ordinary B Shares shares of £1.00 each	15.00	15.00
207 (2018 - 180) Ordinary C Shares shares of £0.10 each	20.70	18.00
	<u>120.70</u>	<u>118.00</u>

During the year, the company purchased its own 4 Ordinary "C" shares of £0.1 each. The nominal value of the purchased shares is £0.04 and transferred to capital redemption reserve. Also, the company issued 30 new "C" shares of £0.1 each at a premium of £5 per share.

The 'A' shares and 'B' shares confer upon the holders the same rights and rank pari passu in all respects, except that the directors may from time to time resolve to declare dividends in respect of each class of share at a rate different from those declared in respect of any other class of share.

The 'C' shares have no voting rights. These shares have different dividend rights as declared by directors and are entitled to a minimum return of capital of £5 each.

12. 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 £36,355 (2018 - £23,428) . No contributions (2018 - £nil) were payable to the fund at the reporting date.

13. Related party transactions

During the year total dividends of £110,450 (2018: £94,040) were paid to the directors.

Other creditors include an interest free loan of £3,000 (2018: £3,000) from the director. There is no repayment date. This loan represents the amount due to director on transfer of partnership business into company.

14. Controlling party

The company is controlled by the board of directors.

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.