

Sovereign Trading Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016



DKP Accountants Sussex Limited

Sovereign Trading Limited

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Sovereign Trading Limited

Company Information

Director Mr N B Jones

Registered office Windrush House West
Normans Bay
Pevensey
East Sussex
BN24 6PS

Accountants Mr Peter Bradshaw
PJB Consultancy
Windrush House West
Normans Bay
Pevensey
East Sussex
BN24 6PS

Sovereign Trading Limited

(Registration number: 05904501)

Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>4</u>	5,550	8,419
Current assets			
Stocks	<u>5</u>	369,230	337,935
Cash at bank and in hand		31,373	87,548
		400,603	425,483
Creditors: Amounts falling due within one year	<u>6</u>	(403,036)	(418,709)
Net current (liabilities)/assets		(2,433)	6,774
Net assets		3,117	15,193
Capital and reserves			
Called up share capital		1	1
Profit and loss account		3,116	15,192
Total equity		3,117	15,193

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his 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 director on 26 September 2017

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Mr N B Jones

Director

The notes on pages 4 to 7 form an integral part of these financial statements.
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Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Profit and loss account £	Total £
At 1 January 2016	1	15,192	15,193
Profit for the year	-	27,924	27,924
Total comprehensive income	-	27,924	27,924
Dividends	-	(40,000)	(40,000)
At 31 December 2016	1	3,116	3,117

	Share capital £	Profit and loss account £	Total £
At 1 January 2015	1	34,398	34,399
Profit for the year	-	10,794	10,794
Total comprehensive income	-	10,794	10,794
Dividends	-	(30,000)	(30,000)
At 31 December 2015	1	15,192	15,193

The notes on pages 4 to 7 form an integral part of these financial statements.
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Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

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

The address of its registered office is:

Windrush House West

Normans Bay

Pevensey

East Sussex

BN24 6PS

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.

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
Office equipment	33% on cost
Motor vehicles	25% on cost

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.

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

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.

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.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 2 (2015 - 2).

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2016	282	11,100	11,382
At 31 December 2016	282	11,100	11,382
Depreciation			
At 1 January 2016	188	2,775	2,963
Charge for the year	94	2,775	2,869
At 31 December 2016	282	5,550	5,832
Carrying amount			
At 31 December 2016	-	5,550	5,550
At 31 December 2015	94	8,325	8,419

5 Stocks

	2016 £	2015 £
Finished goods and goods for resale	369,230	337,935

6 Creditors

	Note	2016 £	2015 £
Due within one year			
Trade creditors		10,933	4,875
Amounts owed to group undertakings and undertakings in which the company has a participating interest		367,093	401,059
Taxation and social security		13,805	9,268
Other creditors		11,205	3,507
		403,036	418,709

7 Dividends

Interim dividends paid

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

	2016	2015
	£	£
Interim dividend of £40,000 (2015 - £30,000) per each Ordinary share	40,000	30,000

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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.