

Sovereign Trading Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2017



DKP Accountants Sussex Limited

Sovereign Trading Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 7</u>

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 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	2,775	5,550
Current assets			
Stocks	<u>5</u>	439,283	369,230
Debtors	<u>6</u>	1,214	-
Cash at bank and in hand		<u>55,984</u>	<u>31,373</u>
		496,481	400,603
Creditors: Amounts falling due within one year	<u>7</u>	<u>(454,257)</u>	<u>(403,036)</u>
Net current assets/(liabilities)		42,224	(2,433)
Net assets		44,999	3,117
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>44,998</u>	<u>3,116</u>
Total equity		44,999	3,117

For the financial year ending 31 December 2017 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 24 August 2018

.....
Mr N B Jones
Director

The notes on pages 3 to 7 form an integral part of these financial statements.
Page 2

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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:

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.

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 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.

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.

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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.

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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 (2016 - 2).

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2017	282	11,100	11,382
At 31 December 2017	282	11,100	11,382
Depreciation			
At 1 January 2017	282	5,550	5,832
Charge for the year	-	2,775	2,775
At 31 December 2017	282	8,325	8,607
Carrying amount			
At 31 December 2017	-	2,775	2,775
At 31 December 2016	-	5,550	5,550

5 Stocks

	2017 £	2016 £
Finished goods and goods for resale	439,283	369,230

6 Debtors

	2017 £	2016 £
Other debtors	1,214	-
Total current trade and other debtors	1,214	-

7 Creditors

Creditors: amounts falling due within one year

	2017 £	2016 £
Due within one year		
Trade creditors	28,109	10,933
Taxation and social security	-	13,805
Accruals and deferred income	1,400	2,000
Other creditors	424,748	376,298
	454,257	403,036

Sovereign Trading Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Page 7

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.