

Commercial Transfer Limited
Annual Report and Financial Statements
Year Ended 31 December 2019
Registration number: 05924100



Commercial Transfer Limited

Company Information

Directors	Ms V A Hart
	Mr J J Dutfield
	Mr G M Davis
	Mr S M Hensley
Registered office	Unit 3
	Bonville Road
	Bonville Trading Estate
	Bristol
Auditors	BS4 5QU
	PKF Francis Clark
	Centenary House
	Peninsula Park
	Rydon Lane
	Exeter
	EX2 7XE

Commercial Transfer Limited

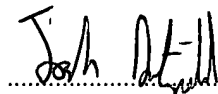
Balance Sheet

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	80,950	149,254
Current assets			
Debtors	5	664,269	634,318
Cash at bank and in hand		<u>25,412</u>	<u>14,176</u>
		689,681	648,494
Creditors: Amounts falling due within one year	6	<u>(1,066,227)</u>	<u>(678,615)</u>
Net current liabilities		<u>(376,546)</u>	<u>(30,121)</u>
Total assets less current liabilities		(295,596)	119,133
Creditors: Amounts falling due after more than one year	6	(17,270)	(31,016)
Provisions for liabilities		<u>-</u>	<u>(25,000)</u>
Net (liabilities)/assets		<u><u>(312,866)</u></u>	<u><u>63,117</u></u>
Capital and reserves			
Called up share capital	8	87,609	87,609
Profit and loss account		<u>(400,475)</u>	<u>(24,492)</u>
Total equity		<u><u>(312,866)</u></u>	<u><u>63,117</u></u>

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 Board on 14/01/21 and signed on its behalf by:



Mr J J Dutfield
Director

Company Registration Number: 05924100

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

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:

Unit 3

Bonville Road

Bonville Trading Estate

Bristol

BS4 5QU

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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The functional currency of Commercial Transfer Limited is considered to be pound sterling because this is the currency of the primary economic environment in which the company operates.

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

2 Accounting policies (continued)

Going concern

The company made a loss in the year of £375,983 and, as at the year end date, had net liabilities of £312,866. The results were impacted by reductions in sales during the year, in part due to Brexit uncertainty. The directors have undertaken a detailed cost reduction exercise and have made changes that they believe are necessary to ensure the performance and the net liabilities position will improve going forwards. The directors have also considered the impact of the Covid 19 pandemic on the business since the year end. The company experienced a period of reduced sales during the national lockdown in March but sales have recovered in the period since to similar levels to 2019. The company has made use of government support where possible, including the Coronavirus Job Retention Scheme and deferral of VAT to support the cash position during this uncertain period. The directors have prepared budgets and cashflow forecasts for the year ended 31 December 2021 based on sales continuing to perform in line with 2019 results. The directors have also undertaken a review of non essential expenditure and implemented cost saving measures where possible which have been reflected in the forecasts. The forecasts are highly sensitive to the level of sales achieved. Should activity levels fall below those forecast the impact on cash could cast doubt on the ability of the company to continue as a going concern and the company would need to consider options for raising additional funding. Taking all of this into account and based on information available to date, the directors believe that the company will continue to trade for 12 months from the date of approval of the accounts and have adopted the going concern status for these accounts.

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 value added tax, returns, rebates and discounts.

- Removal services income is recognised on the final delivery
- Crates and storage charges are recognised in the period the services are provided

Tax

Tax is recognised in the 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 corporation 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 on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

2 Accounting policies (continued)

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
Leasehold improvements	over the life of the lease
Computer equipment	15-33% reducing balance
Motor Vehicles	20-25% reducing balance
Plant and equipment	15-25% reducing balance

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 hire purchase or 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.

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

Financial instruments

Classification

The company holds the following financial instruments:

- Trade and other debtors and creditors;
- Cash and bank balances; and
- Bank borrowings.

All financial instruments are classified as basic.

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party.

Instruments, except for cash and bank balances and bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 28 (2018 - 31).

4 Tangible assets

	Leasehold Improvements £	Computer equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2019	13,390	33,745	226,666	116,660	390,461
Disposals	-	-	-	(51,030)	(51,030)
At 31 December 2019	13,390	33,745	226,666	65,630	339,431
Depreciation					
At 1 January 2019	6,254	29,039	144,500	61,414	241,207
Charge for the year	894	1,241	20,285	9,015	31,435
Eliminated on disposal	-	-	-	(14,161)	(14,161)
At 31 December 2019	7,148	30,280	164,785	56,268	258,481
Carrying amount					
At 31 December 2019	6,242	3,465	61,881	9,362	80,950
At 31 December 2018	7,136	4,706	82,166	55,246	149,254

5 Debtors

	2019 £	2018 £
Trade debtors	403,060	495,294
Amounts due from group undertakings	31,014	29,943
Other debtors	60,757	57,702
Prepayments	169,438	51,379
	664,269	634,318
Less amounts due after one year	(52,957)	(51,510)
	611,312	582,808

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

6 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Loans and borrowings	7	246,477	211,065
Trade creditors		557,785	308,957
Amounts due to group undertakings		115,383	38,633
Corporation tax		-	789
Social security and other taxes		101,532	55,305
Outstanding defined contribution pension costs		3,092	2,694
Other creditors		20,735	28,069
Accrued expenses		21,223	33,103
		<u>1,066,227</u>	<u>678,615</u>

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Loans and borrowings	7	<u>17,270</u>	<u>31,016</u>

7 Loans and borrowings

	2019 £	2018 £
Loans and borrowings due after one year		
Hire purchase liabilities	<u>17,270</u>	<u>31,016</u>

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	232,531	179,456
Hire purchase contracts	<u>13,946</u>	<u>31,609</u>
	<u>246,477</u>	<u>211,065</u>

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

7 Loans and borrowings (continued)

Bank borrowings

Included in the total loans and borrowings at the year end is £263,747 (2018 - £242,081) on which the following security has been provided:

Bank borrowings of £232,531 (2018: £179,456) consist of amounts owing to Lloyds Commercial Finance Limited under an invoice discounting deed. This is secured on the company's trade debtors. There is also a fixed and floating debenture over the companies assets in favour of Lloyds bank.

Amounts due under hire purchase £31,217 (2018: £62,625) are secured on the specific financed assets.

8 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	400	400	400	400
Preference Shares of £1 each	87,209	87,209	87,209	87,209
	<u>87,609</u>	<u>87,609</u>	<u>87,609</u>	<u>87,609</u>

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is detailed below. The total in respect of the property that the company operates from is £971,667 (2018 - £1,104,167).

Commitments fall due as follows:

	2019 £	2018 £
Not later than one year	140,389	140,389
Later than one year and not later than five years	536,480	542,646
Later than five years	<u>309,167</u>	<u>441,667</u>
	<u>986,036</u>	<u>1,124,702</u>

The total amount of guarantees not included in the balance sheet is £50,000 (2018 - £50,000). The company acts as a guarantor on a loan that the parent company has received. The total amount guaranteed is £50,000.

Commercial Transfer Limited

Notes to the Financial Statements

Year Ended 31 December 2019

10 Related party transactions

Transactions with directors

At the year end, there was a balance due to directors in the amount £2,330 (2018: £nil). During the year, directors made repayment to the company of £nil (2018: £nil).

11 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is GJD Holdings Limited, incorporated in England & Wales. The registered office of the parent company is Centenary House, Peninsula Park, Rydon Lane, Exeter EX2 7XE.

12 Non adjusting events after the financial period

The company has been affected by the ongoing coronavirus pandemic and the directors have considered the impact on the company as outlined in the going concern section of note 2. This has been treated, in line with guidance published by the FRC and ICAEW, as a non-adjusting post balance sheet event and as such values included in these financial statements have not been adjusted to take into account the potential impact of the pandemic.

13 Audit report

The Independent Auditors' Report was unqualified.

The audit report included a material uncertainty related to going concern. We drew attention to note 2 in the financial statements which indicates that the company incurred a loss of £375,983 during the year end 31 December 2019 (2018: loss of £105,032) and, as of that date, the company had net current liabilities of £376,546 (2018: £30,121) and net liabilities of £312,866 (2018: net assets of £63,117). As stated in note 2, these events or conditions along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion was not modified in respect of this matter.

The name of the Senior Statutory Auditor who signed the audit report was Glenn Nicol, who signed for and on behalf of PKF Francis Clark on

18 January 2021