

# Direct FM Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 September 2017

Bissell & Brown Limited

Chartered Accountants

Charter House

56 High Street

Sutton Coldfield

West Midlands

B72 1UJ

# **Direct FM Limited**

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## **Direct FM Limited**

### **Company Information**

<b>Directors</b>	Mr M Davis Mr D Peach
<b>Registered office</b>	City Court 161 Hospital Street Birmingham B19 3XA
<b>Accountants</b>	Bissell & Brown Limited Chartered Accountants Charter House 56 High Street Sutton Coldfield West Midlands B72 1UJ

**Direct FM Limited**  
**(Registration number: 05983061)**  
**Balance Sheet as at 30 September 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	28,059	23,414
<b>Current assets</b>			
Debtors	<u>5</u>	786,028	370,969
Cash at bank and in hand		<u>121,791</u>	<u>182,525</u>
		907,819	553,494
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	<u>(681,860)</u>	<u>(346,472)</u>
<b>Net current assets</b>		<u>225,959</u>	<u>207,022</u>
<b>Total assets less current liabilities</b>		254,018	230,436
<b>Provisions for liabilities</b>		<u>(1,356)</u>	<u>(833)</u>
<b>Net assets</b>		<u><u>252,662</u></u>	<u><u>229,603</u></u>
<b>Capital and reserves</b>			
Called up share capital	<u>7</u>	100	100
Profit and loss account		<u>252,562</u>	<u>229,503</u>
<b>Total equity</b>		<u><u>252,662</u></u>	<u><u>229,603</u></u>

For the financial year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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 directors acknowledge their 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 Directors' Report or the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 June 2018 and signed on its behalf by:

.....  
Mr D Peach  
Director

The notes on pages 3 to 8 form an integral part of these financial statements.

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# **Direct FM Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2017**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales. The company's registration number is 05983061.

The address of its registered office is:

City Court  
161 Hospital Street  
Birmingham  
B19 3XA

These financial statements were authorised for issue by the Board on 21 June 2018.

### **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.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

#### **Changes in accounting policy**

#### **First time adoption of FRS102**

These financial statements are the first financial statements of Direct FM Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Direct FM Limited for the year ended 30 September 2016 were prepared in accordance with previous UK GAAP, so for the company having a 30 September 2017 year end, the 1 October 2015 is the 'transition date' and the start of the comparative period in the first mandatory FRS 102 accounts.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. The directors have taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

There has been no impact on the reporting of financial performance or financial position as shown under previous UK GAAP at the date of transition to FRS 102 or in the comparative period.

## Direct FM Limited

### Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

#### 2 Accounting policies (continued)

##### 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 and deferred 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

##### 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
Motor Vehicles	25% reducing balance

##### 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.

## **Direct FM Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

##### **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.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **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.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



## **Direct FM Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments**

###### *Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

###### *Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

###### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

###### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

###### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **3 Staff numbers**

The average number of persons employed (including directors) during the year, was 6 (2016 - 5).

# Direct FM Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 4 Tangible assets

	Motor vehicles £	Total £
<b>Cost or valuation</b>		
At 1 October 2016	44,565	44,565
Additions	14,000	14,000
At 30 September 2017	58,565	58,565
<b>Depreciation</b>		
At 1 October 2016	21,151	21,151
Charge for the year	9,355	9,355
At 30 September 2017	30,506	30,506
<b>Carrying amount</b>		
At 30 September 2017	28,059	28,059
At 30 September 2016	23,414	23,414

### 5 Debtors

	2017 £	2016 £
Other debtors	785,683	370,649
Prepayments	345	320
Total current trade and other debtors	786,028	370,969

### 6 Creditors

#### Creditors: amounts falling due within one year

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	6.1	215,832	124,232
Trade creditors		8,954	15,613
Taxation and social security		110,173	39,450
Other creditors		219,241	89,962
Accrued expenses		14,661	5,672
Corporation tax liability		112,999	71,543
		681,860	346,472

# Direct FM Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 6 Creditors (continued)

#### 6.1 Loans and borrowings

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Loans from directors	215,832	124,232

### 7 Share capital

#### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary share of £1 each	100	100	100	100

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:  
 Holders of the ordinary share capital have a right to vote and receive dividends.

### 8 Dividends

#### Interim dividends paid

	2017 £	2016 £
Interim dividend of £4,500.00 (2016 - £2,300.00) per each Ordinary share	450,000	230,000

### 9 Related party transactions

#### Summary of transactions with other related parties

At the balance sheet date the company was owed the following from connected companies:-  
 Direct Control Systems Limited £785,580 (2016: £370,649)

### 10 Transition to FRS 102

There have been no transition adjustments upon conversion to FRS102 for small companies.