

Direct FM Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 September 2018

Bissell & Brown Limited

Chartered Accountants

Charter House

56 High Street

Sutton Coldfield

West Midlands

B72 1UJ

Direct FM Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Balance Sheet	<u>3</u>
Notes to the Financial Statements	<u>4 to 9</u>

Direct FM Limited

Company Information

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

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Direct FM Limited
for the Year Ended 30 September 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Direct FM Limited for the year ended 30 September 2018 as set out on pages 3 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Direct FM Limited, as a body, in accordance with the terms of our engagement letter dated 22 May 2018. Our work has been undertaken solely to prepare for your approval the accounts of Direct FM Limited and state those matters that we have agreed to state to the Board of Directors of Direct FM Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Direct FM Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Direct FM Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Direct FM Limited. You consider that Direct FM Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Direct FM Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Bissell & Brown Limited
Chartered Accountants
Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

6 March 2019

Direct FM Limited
(Registration number: 05983061)
Balance Sheet as at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	21,044	28,059
Current assets			
Debtors	<u>5</u>	628,665	786,027
Cash at bank and in hand		75,668	121,791
		704,333	907,818
Creditors: Amounts falling due within one year	<u>6</u>	(465,048)	(681,859)
Net current assets		239,285	225,959
Total assets less current liabilities		260,329	254,018
Provisions for liabilities		(3,303)	(1,356)
Net assets		257,026	252,662
Capital and reserves			
Called up share capital	<u>7</u>	100	100
Profit and loss account		256,926	252,562
Total equity		257,026	252,662

For the financial year ending 30 September 2018 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 6 March 2019 and signed on its behalf by:

.....
Mr M Davis
Director

.....
Mr D Peach
Director

The notes on pages 4 to 9 form an integral part of these financial statements.

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

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 6 March 2019.

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 £.

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.

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

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.

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.

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

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.

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.

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

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 7 (2017 - 6).

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

4 Tangible assets

	Motor vehicles £	Total £
Cost or valuation		
At 1 October 2017	58,565	58,565
At 30 September 2018	58,565	58,565
Depreciation		
At 1 October 2017	30,506	30,506
Charge for the year	7,015	7,015
At 30 September 2018	37,521	37,521
Carrying amount		
At 30 September 2018	21,044	21,044
At 30 September 2017	28,059	28,059

5 Debtors

	2018 £	2017 £
Other debtors	628,665	785,682
Prepayments	-	345
Total current trade and other debtors	628,665	786,027

6 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	6.1	140,000	215,832
Trade creditors		5,805	8,954
Taxation and social security		62,962	110,172
Other creditors		140,880	219,241
Accrued expenses		46,604	14,661
Corporation tax liability		68,797	112,999
		465,048	681,859

Direct FM Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

6 Creditors (continued)

6.1 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Loans from directors	140,000	215,832

7 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	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

	2018 £	2017 £
Interim dividend of £2,800.00 (2017 - £4,500.00) per each Ordinary share	280,000	450,000

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 £616,833 (2017: £785,580)

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.