

Company Registration No. 06448749 (England and Wales)

SOUTHERN MECHANICAL SERVICES LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

SOUTHERN MECHANICAL SERVICES LTD

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SOUTHERN MECHANICAL SERVICES LTD

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		10,697		8,702
Current assets					
Debtors	4	124,006		478,762	
Cash at bank and in hand		175,656		93,195	
		<u>299,662</u>		<u>571,957</u>	
Creditors: amounts falling due within one year	5	<u>(264,117)</u>		<u>(546,851)</u>	
Net current assets			35,545		25,106
Total assets less current liabilities			<u>46,242</u>		<u>33,808</u>
Provisions for liabilities			<u>(2,032)</u>		<u>(1,653)</u>
Net assets			<u>44,210</u>		<u>32,155</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves	7		<u>44,110</u>		<u>32,055</u>
Total equity			<u>44,210</u>		<u>32,155</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The notes on pages 3 - 6 form an integral part of these financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and FRS102 Section 1A.

SOUTHERN MECHANICAL SERVICES LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:

Mr R Austin

Director

Company Registration No. 06448749

SOUTHERN MECHANICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Southern Mechanical Services Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 85 Gloucester Road, Croydon, Surrey, CR0 2DN.

The principal activity of the company continued to be that of supplying mechanical services for building installation.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% Reducing Balance
Motor vehicles	25% Reducing Balance

1.4 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SOUTHERN MECHANICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

1.6 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the company becomes aware of the obligation and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in Balance sheet.

1.7 Pension

Defined Contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contribution into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 3).

	2018 Number	2017 Number
Employees	4	3
	<u>4</u>	<u>3</u>
	<u><u>4</u></u>	<u><u>3</u></u>

SOUTHERN MECHANICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2018	3,684	13,075	16,759
Additions	5,560	-	5,560
At 31 December 2018	9,244	13,075	22,319
Depreciation and impairment			
At 1 January 2018	1,638	6,419	8,057
Depreciation charged in the year	1,901	1,664	3,565
At 31 December 2018	3,539	8,083	11,622
Carrying amount			
At 31 December 2018	5,705	4,992	10,697
At 31 December 2017	2,046	6,656	8,702

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	85,068	428,053
Other debtors	20,153	35,231
Prepayments and accrued income	18,785	15,478
	124,006	478,762

The directors consider the carrying value of trade and other receivables approximate to their fair values.

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Notes		
Bank loans and overdrafts	-	18,794
Trade creditors	168,507	304,194
Corporation tax	20,338	21,253
Other taxation and social security	5,633	9,633
Other creditors	6,539	4,877
Accruals and deferred income	63,100	188,100
	264,117	546,851

The directors consider the carrying amounts of current liabilities approximate to their fair values.

SOUTHERN MECHANICAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,262 (2017 - £2,753).

7 Reserves

Profit and Loss reserves

The Profit and loss account comprises all current and prior period retained profit and losses after deducting any distributions made to the company's shareholders. This is a distributable reserve.

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
Within one year	3,268	3,540
Between two and five years	1,634	4,901
	<u>4,902</u>	<u>8,441</u>

9 Related party transactions

At the balance sheet date included in trade debtors are amounts due from Southern Industrial Pipeline Ltd of £81,095 (2017 - £81,095).

At the balance sheet date included in other debtors were amounts of £14,339 (2017 - £14,339) due from Southern Industrial Pipeline Limited, a connected company in which R Austin is the director.

As at the balance sheet date, included in other creditors are amounts due to directors, R Austin of £2,226 (2017 - £1,005) and P Martin of £650 (2017 - £650)

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