

Unaudited Financial Statements
for the Year Ended 31 December 2019
for
Southern Mechanical Services Limited

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for the Year Ended 31 December 2019

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Southern Mechanical Services Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

P Martin
R Austin

SECRETARY:

R Austin

REGISTERED OFFICE:

85 Gloucester Road
Croydon
CR0 2DN

REGISTERED NUMBER:

06448749 (England and Wales)

ACCOUNTANTS:

Ledger Sparks Limited
Airport House
Suite 43-45
Purley Way
Croydon
CR0 0XZ

Balance Sheet
31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	4	50,348	10,696
CURRENT ASSETS			
Debtors	5	216,800	124,006
Cash at bank		<u>196,877</u>	<u>175,656</u>
		413,677	299,662
CREDITORS			
Amounts falling due within one year	6	<u>(378,727)</u>	<u>(264,116)</u>
NET CURRENT ASSETS		<u>34,950</u>	<u>35,546</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		85,298	46,242
PROVISIONS FOR LIABILITIES	8	<u>(2,873)</u>	<u>(2,032)</u>
NET ASSETS		<u><u>82,425</u></u>	<u><u>44,210</u></u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings	9	<u>82,325</u>	<u>44,110</u>
		<u><u>82,425</u></u>	<u><u>44,210</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 December 2019

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2020 and were signed on its behalf by:

R Austin - Director

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. **STATUTORY INFORMATION**

Southern Mechanical Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. **ACCOUNTING POLICIES**

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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.

TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

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

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.

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.

Deferred tax

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

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. **ACCOUNTING POLICIES - continued**

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.

PROVISIONS FOR LIABILITIES

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 the Balance sheet.

GOING CONCERN

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 3 (2018 - 4) .

4. **TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2019	-	9,243	13,075	22,318
Additions	35,226	1,038	6,650	42,914
At 31 December 2019	35,226	10,281	19,725	65,232
DEPRECIATION				
At 1 January 2019	-	3,539	8,083	11,622
Charge for year	-	1,599	1,663	3,262
At 31 December 2019	-	5,138	9,746	14,884
NET BOOK VALUE				
At 31 December 2019	35,226	5,143	9,979	50,348
At 31 December 2018	-	5,704	4,992	10,696

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	333,605	235,100
Bad debt provision	(150,032)	(150,032)
Other debtors	14,339	14,339
VAT	-	5,814
Prepayments and accrued income	18,888	18,785
	<u>216,800</u>	<u>124,006</u>

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts	23,407	-
Trade creditors	134,648	168,505
Corporation tax	26,016	20,338
Paye NI liability	6,800	5,633
VAT	52,237	-
Other creditors	3,340	3,664
Directors' current accounts	36,921	2,876
Accruals and deferred income	95,358	63,100
	<u>378,727</u>	<u>264,116</u>

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

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	1,634	3,268
Between one and five years	-	1,634
	<u>1,634</u>	<u>4,902</u>

8. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	<u>2,873</u>	<u>2,032</u>
		Deferred tax
		£
Balance at 1 January 2019		2,032
Provided during year		841
Balance at 31 December 2019		<u>2,873</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. **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.

10. **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 £3,346 (2018 - £3,262).

11. **RELATED PARTY TRANSACTIONS**

At the balance sheet date included in trade debtors are amounts due from Southern Industrial Pipeline Services Ltd of £114,324 (2018 - £81,095).

At the balance sheet date included in trade creditors are amounts due to Southern Industrial Pipeline Services Ltd of £4,785 (2018 - £24,294).

At the balance sheet date included in other debtors were amounts of £14,339 (2018 - £14,339) due from Southern Industrial Pipeline Services 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 £36,271 (2018 - £2,226) and P Martin of £650 (2018 - £650).

12. **POST BALANCE SHEET EVENTS**

Since the year end, the Coronavirus (COVID-19) has emerged globally resulting in a significant impact on businesses worldwide. As a result some business operations have been restricted, however the company continues to operate using alternative methods and remote working. The directors are unable to evaluate the overall financial impact on the business at present. Hence financial statements do not include any adjustments that might result from the outcome of this uncertainty. The directors are continuing to monitor, assess and act to the current changing environment in order to position the company to ensure its future success.

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.