

Falkon Digital Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2018



Hallidays
Chartered Accountants
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Yew Street
Stockport
Cheshire
SK4 2HD

Falkon Digital Limited

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Falkon Digital Limited

Company Information

Directors	Mr L Sherran Mrs S Sherran
Registered office	26 Springwood Avenue Knutsford Cheshire WA16 8JA
Accountants	Hallidays Chartered Accountants Riverside House Kings Reach Business Park Yew Street Stockport Cheshire SK4 2HD

Falkon Digital Limited
(Registration number: 06902921)
Balance Sheet as at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	1,748	2,331
Current assets			
Debtors	<u>5</u>	47,797	30,564
Cash at bank and in hand		<u>2</u>	<u>1</u>
		47,799	30,565
Creditors: Amounts falling due within one year	<u>6</u>	<u>(48,327)</u>	<u>(38,293)</u>
Net current liabilities		<u>(528)</u>	<u>(7,728)</u>
Net assets/(liabilities)		<u><u>1,220</u></u>	<u><u>(5,397)</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>1,218</u>	<u>(5,399)</u>
Total equity		<u><u>1,220</u></u>	<u><u>(5,397)</u></u>

For the financial year ending 31 May 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 Profit and Loss Account has been taken.

Approved and authorised by the Board on 12 February 2019 and signed on its behalf by:

.....

Mr L Sherran
Director

The notes on pages 3 to 6 form an integral part of these financial statements.
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Notes to the Financial Statements for the Year Ended 31 May 2018

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:

26 Springwood Avenue
Knutsford
Cheshire
WA16 8JA

These financial statements were authorised for issue by the Board on 12 February 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.

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 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.

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.

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Notes to the Financial Statements for the Year Ended 31 May 2018

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
Office equipment	25% written down value

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.

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.

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Notes to the Financial Statements for the Year Ended 31 May 2018

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 5 (2017 - 5).

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 June 2017	8,300	8,300
At 31 May 2018	8,300	8,300
Depreciation		
At 1 June 2017	5,969	5,969
Charge for the year	583	583
At 31 May 2018	6,552	6,552
Carrying amount		
At 31 May 2018	1,748	1,748
At 31 May 2017	2,331	2,331

5 Debtors

	2018 £	2017 £
Trade debtors	11,940	16,785
Other debtors	35,857	13,779
	47,797	30,564

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Notes to the Financial Statements for the Year Ended 31 May 2018

6 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	<u>7</u>	12,950	12,505
Taxation and social security		13,973	15,027
Accruals and deferred income		1,750	1,640
Other creditors		<u>19,654</u>	<u>9,121</u>
		<u>48,327</u>	<u>38,293</u>

7 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank overdrafts	<u>12,950</u>	<u>12,505</u>

8 Related party transactions

Transactions with directors

	At 1 June 2017 £	Advances to directors £	Repayments by director £	At 31 May 2018 £
2018				
Mr L Sherran				
Advances	6,290	17,329	(6,290)	17,329

Mrs S Sherran				
Advances	6,289	17,328	(6,289)	17,328

	Advances to directors £	At 31 May 2017 £
2017		
Mr L Sherran		
Advances	6,290	6,290

Mrs S Sherran		
Advances	6,289	6,289

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.