

Heron IT Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2017

SJB & Co
8 Barnfield
Feering
Colchester
Essex
CO5 9HP

Heron IT Limited

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Heron IT Limited

Company Information

Director Mr Colin Paul Hammond

Registered office 22 Heron Road
Kelvedon
Colchester
Essex
CO5 9NE

Accountants SJB & Co
8 Barnfield
Feering
Colchester
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CO5 9HP

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory
Accounts of
Heron IT Limited
for the Year Ended 31 March 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Heron IT Limited for the year ended 31 March 2017 as set out on pages 3 to 12 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.icacw.com/cn/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Heron IT Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Heron IT Limited and state those matters that we have agreed to state to the Board of Directors of Heron IT 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 Heron IT Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Heron IT 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 Heron IT Limited. You consider that Heron IT 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 Heron IT 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.

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SJB & Co
8 Barnfield
Feering
Colchester
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CO5 9HP

21 August 2017

Heron IT Limited

Statement of Comprehensive Income for the Year Ended 31 March 2017

		(As restated)
	2017	2016
	£	£
Note		
Profit for the year	13,595	26,081
Total comprehensive income for the year	13,595	26,081

The notes on pages 7 to 12 form an integral part of these financial statements.

Heron IT Limited

(Registration number: 06938617) Balance Sheet as at 31 March 2017

		2017	(As restated) 2016
	Note	£	£
Fixed assets			
Tangible assets	<u>4</u>	2,582	4,442
Current assets			
Stocks	<u>5</u>	500	500
Debtors	<u>6</u>	183,791	141,861
Cash at bank and in hand		12,995	10,386
		197,286	152,747
Creditors: Amounts falling due within one year	<u>7</u>	(160,140)	(100,684)
Net current assets		37,146	52,063
Total assets less current liabilities		39,728	56,505
Provisions for liabilities		(516)	(888)
Net assets		39,212	55,617
Capital and reserves			
Called up share capital		100	100
Profit and loss account		39,112	55,517
Total equity		39,212	55,617

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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.

The notes on pages 7 to 12 form an integral part of these financial statements.

Heron IT Limited

(Registration number: 06938617)
Balance Sheet as at 31 March 2017

Approved and authorised by the director on 21 August 2017

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Mr Colin Paul Hammond

Director

The notes on pages 7 to 12 form an integral part of these financial statements.
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Heron IT Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Profit and loss account £	Total £
At 1 April 2016	100	55,517	55,617
Profit for the year	-	13,595	13,595
Total comprehensive income	-	13,595	13,595
Dividends	-	(30,000)	(30,000)
At 31 March 2017	100	39,112	39,212

	Share capital £	Profit and loss account £	Total £
At 1 April 2015	100	50,436	50,536
Profit for the year	-	26,081	26,081
Total comprehensive income	-	26,081	26,081
Dividends	-	(21,000)	(21,000)
At 31 March 2016	100	55,517	55,617

The notes on pages 7 to 12 form an integral part of these financial statements.

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

22 Heron Road
Kelvedon
Colchester
Essex
CO5 9NE
England

These financial statements were authorised for issue by the director on 21 August 2017.

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.

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
Plant & Machinery	33.33% straight line
Furniture & fittings	33.33% straight line

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.

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

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 the director) during the year, was 6 (2016 - 5).

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

4 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2016	3,208	12,439	15,647
Additions	129	750	879
At 31 March 2017	3,337	13,189	16,526
Depreciation			
At 1 April 2016	3,174	8,031	11,205
Charge for the year	60	2,679	2,739
At 31 March 2017	3,234	10,710	13,944
Carrying amount			
At 31 March 2017	103	2,479	2,582
At 31 March 2016	34	4,408	4,442

5 Stocks

	2017 £	2016 £
Other inventories	500	500

6 Debtors

	2017 £	2016 £
Trade debtors	91,649	97,206
Other debtors	92,142	44,655
Total current trade and other debtors	183,791	141,861

7 Creditors

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Due within one year			
Trade creditors		59,695	33,937
Taxation and social security		94,202	59,218
Other creditors		6,243	7,529
		160,140	100,684
		160,140	100,684

8 Dividends

	2017 £	2016 £
Interim dividend of £300.00 (2016 - £210.00) per ordinary share	30,000	21,000

9 Related party transactions

Transactions with directors

Directors' remuneration

The director's remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	8,123	9,021
Contributions paid to money purchase schemes	-	5,000
	8,123	14,021
	8,123	14,021

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	-	1

Dividends paid to directors

Heron IT Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

	2017	2016
	£	£
Mr Colin Paul Hammond		
Interim Dividends	28,500	19,950

Other transactions with directors

Mr Hammond received rent for provision of office space at his home of £990 (2016:£1,320)

10 Transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standards 102 -1A issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 was therefore 1 April 2015. As a consequence of adopting FRS 102, no material accounting policies have changed to comply with the new standard and accordingly no balances were required to be restated. An analysis of turnover has been provided for 2017 and the prior year which was not previously included.

Heron IT Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	(As restated) 2016 £
Turnover (analysed below)	813,896	973,365
Cost of sales (analysed below)	<u>(741,881)</u>	<u>(894,302)</u>
Gross profit	<u>72,015</u>	<u>79,063</u>
Gross profit (%)		
Administrative expenses		
Employment costs (analysed below)	(15,740)	(16,165)
Establishment costs (analysed below)	(7,898)	(4,544)
General administrative expenses (analysed below)	(28,537)	(23,022)
Finance charges (analysed below)	(46)	-
Depreciation costs (analysed below)	<u>(2,739)</u>	<u>(2,720)</u>
	<u>(54,960)</u>	<u>(46,451)</u>
Operating profit	<u>17,055</u>	<u>32,612</u>
Other interest receivable and similar income (analysed below)	39	18
Interest payable and similar charges (analysed below)	<u>-</u>	<u>(2)</u>
	<u>39</u>	<u>16</u>
Profit before tax	<u><u>17,094</u></u>	<u><u>32,628</u></u>

This page does not form part of the statutory financial statements.
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Heron IT Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover		
Sale of goods, UK	732,455	879,131
Rendering of services, UK	80,739	93,825
Commissions receivable	702	409
	<u>813,896</u>	<u>973,365</u>
Cost of sales		
Opening finished goods	500	500
Materials	629,639	783,092
Closing finished goods	(500)	(500)
Wages and salaries (excluding directors)	107,571	105,619
Subcontract cost	4,671	5,591
	<u>741,881</u>	<u>894,302</u>
Employment costs		
Directors remuneration	(8,040)	(8,040)
Staff pensions (Defined contribution)	(354)	-
Directors pensions (Defined contribution)	-	(5,000)
Staff training	(5,988)	(76)
Staff welfare	(1,358)	(3,049)
	<u>(15,740)</u>	<u>(16,165)</u>
Establishment costs		
Rent	(5,213)	(902)
Insurance	(1,805)	(2,322)
Use of home as office	(880)	(1,320)
	<u>(7,898)</u>	<u>(4,544)</u>
General administrative expenses		
Telephone and fax	(2,730)	(2,614)
Computer software and maintenance costs	(5,466)	(5,491)
Printing, postage and stationery	(518)	(303)
Trade subscriptions	(330)	(1,643)
Discounts allowable	-	(3)
Sundry expenses	-	21
Motor expenses	(8,455)	(6,604)
Travel and subsistence		

	(3,396)	(3,505)
Hotel accommodation	(90)	-
Advertising	(3,974)	(588)

This page does not form part of the statutory financial statements.
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Heron IT Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

Customer entertaining (disallowable for tax)	(60)	(18)
Accountancy fees	(3,201)	(2,234)
Consultancy fees	(317)	-
Legal and professional fees	-	(40)
	<u>(28,537)</u>	<u>(23,022)</u>

Finance charges

Bank charges	<u>(46)</u>	<u>-</u>
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Depreciation costs

Depreciation of plant and machinery (owned)	(2,679)	(2,692)
Depreciation of fixtures and fittings (owned)	<u>(60)</u>	<u>(28)</u>
	<u>(2,739)</u>	<u>(2,720)</u>

Other interest receivable and similar income

Bank interest receivable	<u>39</u>	<u>18</u>
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This page does not form part of the statutory financial statements.
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