

REGISTERED NUMBER: 07240581 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

FOR

SMART MERCHANTS LIMITED

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for the Year Ended 30 April 2020**

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SMART MERCHANTS LIMITED

COMPANY INFORMATION
for the Year Ended 30 April 2020

DIRECTORS:

M P Watts
R H Marsh

REGISTERED OFFICE:

54 Sun Street
Waltham Abbey
Essex
EN9 1EJ

REGISTERED NUMBER:

07240581 (England and Wales)

ACCOUNTANTS:

KNIGHT WHEELER LIMITED
Chartered Accountants
54 Sun Street
Waltham Abbey
Essex
EN9 1EJ

SMART MERCHANTS LIMITED (REGISTERED NUMBER: 07240581)

BALANCE SHEET
30 April 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	4	18,000	-
Tangible assets	5	<u>32,108</u>	<u>45,585</u>
		<u>50,108</u>	<u>45,585</u>
CURRENT ASSETS			
Stocks		652,000	701,108
Debtors	6	901,749	1,297,145
Cash at bank and in hand		<u>189,916</u>	<u>86,687</u>
		1,743,665	2,084,940
CREDITORS			
Amounts falling due within one year	7	<u>(1,234,299)</u>	<u>(1,637,120)</u>
NET CURRENT ASSETS		<u>509,366</u>	<u>447,820</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		559,474	493,405
CREDITORS			
Amounts falling due after more than one year	8	(41,205)	(50,884)
PROVISIONS FOR LIABILITIES	10	<u>(3,969)</u>	<u>(5,882)</u>
NET ASSETS		<u>514,300</u>	<u>436,639</u>
CAPITAL AND RESERVES			
Called up share capital		102	102
Retained earnings		<u>514,198</u>	<u>436,537</u>
SHAREHOLDERS' FUNDS		<u>514,300</u>	<u>436,639</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2020 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 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.
- (b)

The notes form part of these financial statements

BALANCE SHEET - continued
30 April 2020

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 January 2021 and were signed on its behalf by:

R H Marsh - Director

M P Watts - Director

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 April 2020**

1. STATUTORY INFORMATION

Smart Merchants 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£) which is also the functional currency for the company and rounded to the nearest £.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents net invoiced electrical wholesales.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2020

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Trade and other receivables

Trade and Other Payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and any short term deposits.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2019 - 15) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	20,000
At 30 April 2020	20,000
AMORTISATION	
Charge for year	2,000
At 30 April 2020	2,000
NET BOOK VALUE	
At 30 April 2020	18,000

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2020

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2019	24,209	6,775	10,363
Additions	-	-	-
At 30 April 2020	<u>24,209</u>	<u>6,775</u>	<u>10,363</u>
DEPRECIATION			
At 1 May 2019	10,568	6,769	6,145
Charge for year	<u>2,421</u>	<u>-</u>	<u>1,037</u>
At 30 April 2020	<u>12,989</u>	<u>6,769</u>	<u>7,182</u>
NET BOOK VALUE			
At 30 April 2020	<u>11,220</u>	<u>6</u>	<u>3,181</u>
At 30 April 2019	<u>13,641</u>	<u>6</u>	<u>4,218</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2019	69,957	25,647	136,951
Additions	-	1,765	1,765
At 30 April 2020	<u>69,957</u>	<u>27,412</u>	<u>138,716</u>
DEPRECIATION			
At 1 May 2019	46,115	21,769	91,366
Charge for year	<u>9,172</u>	<u>2,612</u>	<u>15,242</u>
At 30 April 2020	<u>55,287</u>	<u>24,381</u>	<u>106,608</u>
NET BOOK VALUE			
At 30 April 2020	<u>14,670</u>	<u>3,031</u>	<u>32,108</u>
At 30 April 2019	<u>23,842</u>	<u>3,878</u>	<u>45,585</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2020

5. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 May 2019 and 30 April 2020	<u>36,687</u>
DEPRECIATION	
At 1 May 2019	12,847
Charge for year	<u>9,172</u>
At 30 April 2020	<u>22,019</u>
NET BOOK VALUE	
At 30 April 2020	<u>14,668</u>
At 30 April 2019	<u>23,840</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	891,702	1,279,955
Other debtors	581	2,059
Smart Trans Supplies Ltd	425	-
Prepayments	<u>9,041</u>	<u>15,131</u>
	<u>901,749</u>	<u>1,297,145</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Bank loans and overdrafts	-	6,376
Hire purchase contracts	9,679	12,129
Trade creditors	552,873	729,785
Factoring account	565,161	794,987
Tax	50,033	49,849
Social security and other taxes	5,417	6,623
VAT	32,179	15,766
Credit card	1,092	1,923
Pension fund	1,087	1,499
Directors' current accounts	10,213	14,933
Accrued expenses	<u>6,565</u>	<u>3,250</u>
	<u>1,234,299</u>	<u>1,637,120</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2020

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Hire purchase contracts	1,205	10,884
Other creditors	40,000	40,000
	<u>41,205</u>	<u>50,884</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Factoring account	<u>565,161</u>	<u>794,987</u>

The factoring account is secured by way of a debenture which provides a fixed and floating charge over the assets of the company.

10. **PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax	<u>3,969</u>	<u>5,882</u>

	Deferred tax
	£
Balance at 1 May 2019	5,882
Credit to Income Statement during year	(1,913)
Balance at 30 April 2020	<u>3,969</u>

11. **RELATED PARTY DISCLOSURES**

The loan amounting to £40,000 is owed to R H Marsh and is on an interest free basis with no fixed repayment term.

The above transactions were conducted using normal commercial principles.

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.