

Registration number: 07389098

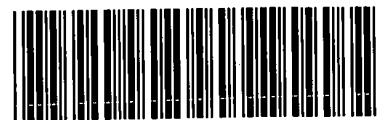
Mitchams Accountants Limited

trading as Mitchams Chartered Accountants

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2017

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Mitchams Accountants Limited
trading as Mitchams Chartered Accountants

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Company Information

Directors Mrs L E Cox
 Mr T I Maclellan
 Mr A Welch
 Miss A L Whaites

Registered office 1 Cornhill
 Ilminster
 Somerset
 TA19 0AD

Bankers Lloyds Bank
 2 Silver Street
 Ilminster
 Somerset
 TA19 0DL

Mitchams Accountants Limited
trading as Mitchams Chartered Accountants

(Registration number: 07389098)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	17,901	21,014
Current assets			
Stocks	6	249,812	224,713
Debtors	7	143,817	181,385
Cash at bank and in hand		259,107	213,467
		652,736	619,565
Creditors: Amounts falling due within one year	8	(295,454)	(264,362)
Net current assets		357,282	355,203
Total assets less current liabilities		375,183	376,217
Creditors: Amounts falling due after more than one year	8	(61,078)	(133,588)
Provisions for liabilities		(3,401)	(4,203)
Net assets		310,704	238,426
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		309,704	237,426
Total equity		310,704	238,426

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.

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.

Mitchams Accountants Limited
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(Registration number: 07389098)
Balance Sheet as at 31 March 2017

Approved and authorised by the Board on 17 August 2017 and signed on its behalf by:

A. L. Whaites

Miss A L Whaites

Director

Mitchams Accountants Limited

trading as Mitchams Chartered Accountants

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 & Wales.

The address of its registered office is:

1 Cornhill
Ilminster
Somerset
TA19 0AD

These financial statements were authorised for issue by the Board on 17 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
Furniture, fittings and equipment	25% reducing balance

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

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5 years straight line (fully amortised 2015/16)

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.

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.

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

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.

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.

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.

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 14 (2016 - 14).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2016	756,010	756,010
At 31 March 2017	756,010	756,010
Amortisation		
At 1 April 2016	756,010	756,010
At 31 March 2017	756,010	756,010
Carrying amount		
At 31 March 2017	-	-

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 April 2016	51,326	51,326
Additions	2,854	2,854
At 31 March 2017	54,180	54,180
Depreciation		
At 1 April 2016	30,312	30,312
Charge for the year	5,967	5,967
At 31 March 2017	36,279	36,279
Carrying amount		
At 31 March 2017	17,901	17,901
At 31 March 2016	21,014	21,014

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

6 Stocks

	2017	2016
	£	£
Work in progress	244,298	221,526
Other inventories	5,514	3,187
	<u>249,812</u>	<u>224,713</u>

7 Debtors

	2017	2016
	£	£
Trade debtors	131,393	169,373
Other debtors	12,424	12,012
Total current trade and other debtors	<u>143,817</u>	<u>181,385</u>

8 Creditors

	Note	2017	2016
		£	£
Due within one year			
Bank loans and overdrafts	9	20,359	31,641
Trade creditors		8,642	2,546
Amounts owed to group undertakings and undertakings in which the company has a participating interest		109,704	104,820
Taxation and social security		81,052	82,544
Other creditors		75,697	42,811
		<u>295,454</u>	<u>264,362</u>
Due after one year			
Loans and borrowings	9	<u>61,078</u>	<u>133,588</u>

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

9 Loans and borrowings

	2017	2016
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>61,078</u>	<u>133,588</u>
Current loans and borrowings		
Bank borrowings	<u>20,359</u>	<u>31,641</u>

Bank borrowings

The Lloyds Bank business loan is denominated in £ sterling with a nominal interest rate of 2.51% over base rate, and the final instalment is due on 28 March 2021. The carrying amount at year end is £81,437 (2016 - £165,229).

This is secured by a Debenture Deed dated 15 March 2011 over the assets of the company.

10 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £171,180 (2016 - £189,180).