

M S CARPETS & FURNITURE LIMITED
Filleted Unaudited Financial Statements
31 May 2018



Shah Dodhia & Co
Chartered accountants
173 Cleveland Street
London
W1T 6QR

M S CARPETS & FURNITURE LIMITED

Statement of Financial Position

31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	40,000	–
Tangible assets	6	26,861	–
		<u>66,861</u>	<u>–</u>
Current assets			
Stocks		100,000	–
Debtors	7	97,788	5
Cash at bank and in hand		163,546	–
		<u>361,334</u>	<u>5</u>
Creditors: amounts falling due within one year	8	(308,754)	–
Net current assets		<u>52,580</u>	<u>5</u>
Total assets less current liabilities		119,441	5
Creditors: amounts falling due after more than one year	9	(13,975)	–
Net assets		<u>105,466</u>	<u>5</u>
Capital and reserves			
Called up share capital		1,000	5
Profit and loss account		104,466	–
Shareholders funds		<u>105,466</u>	<u>5</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 7 form part of these financial statements.

M S CARPETS & FURNITURE LIMITED

Statement of Financial Position *(continued)*

31 May 2018

These financial statements were approved by the board of directors and authorised for issue on ~~26/02/2019~~, and are signed on behalf of the board by:



Shabir Ahmed Mohammed
Director

Company registration number: 09628737

The notes on pages 3 to 7 form part of these financial statements.

M S CARPETS & FURNITURE LIMITED

Notes to the Financial Statements

Year ended 31 May 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 173 Cleveland Street, London, W1T 6QR.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the amount of current tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

M S CARPETS & FURNITURE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - Over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles - 20% on cost
Equipment - 25% on cost

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

M S CARPETS & FURNITURE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 12 (2017: Nil).

M S CARPETS & FURNITURE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

5. Intangible assets

	Goodwill £
Cost	
Additions	50,000
At 31 May 2018	<u>50,000</u>
Amortisation	
Charge for the year	10,000
At 31 May 2018	<u>10,000</u>
Carrying amount	
At 31 May 2018	<u>40,000</u>
At 31 May 2017	<u>—</u>

6. Tangible assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 June 2017	—	—	—
Additions	21,639	1,058	22,697
Transfers	22,525	787	23,312
At 31 May 2018	<u>44,164</u>	<u>1,845</u>	<u>46,009</u>
Depreciation			
At 1 June 2017	—	—	—
Charge for the year	8,833	461	9,294
Transfers	9,854	—	9,854
At 31 May 2018	<u>18,687</u>	<u>461</u>	<u>19,148</u>
Carrying amount			
At 31 May 2018	<u>25,477</u>	<u>1,384</u>	<u>26,861</u>
At 31 May 2017	<u>—</u>	<u>—</u>	<u>—</u>

7. Debtors

	2018 £	2017 £
Trade debtors	97,788	—
Other debtors	—	5
	<u>97,788</u>	<u>5</u>

M S CARPETS & FURNITURE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	58,014	—
Corporation tax	36,465	—
Social security and other taxes	29,128	—
Other creditors	185,147	—
	<u>308,754</u>	<u>—</u>

9. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>13,975</u>	<u>—</u>

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and (credits) with the company:

	2018		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Munir Ahmed	—	(32,545)	(32,545)
Shabir Ahmed Mohammed	—	(32,545)	(32,545)
	<u>—</u>	<u>(65,090)</u>	<u>(65,090)</u>

	2017		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Munir Ahmed	—	—	—
Shabir Ahmed Mohammed	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>