

Company Registration No. 04357888 (England and Wales)

# **MICHAEL SCHMIDT & PARTNER LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**PAGES FOR FILING WITH REGISTRAR**

# **MICHAEL SCHMIDT & PARTNER LIMITED**

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# MICHAEL SCHMIDT & PARTNER LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	3		5,864		7,822
Tangible assets	4		2,280		2,465
<b>Current assets</b>					
Debtors	5	29,772		42,728	
Cash at bank and in hand		153,676		291,421	
		<u>183,448</u>		<u>334,149</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(144,661)</u>		<u>(294,910)</u>	
<b>Net current assets</b>			38,787		39,239
<b>Total assets less current liabilities</b>			46,931		49,526
<b>Provisions for liabilities</b>			(350)		(468)
<b>Net assets</b>			<u>46,581</u>		<u>49,058</u>
<b>Capital and reserves</b>					
Called up share capital	7		803		803
Capital redemption reserve			20		20
Profit and loss reserves			45,758		48,235
<b>Total equity</b>			<u>46,581</u>		<u>49,058</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

**MICHAEL SCHMIDT & PARTNER LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2018**

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The financial statements were approved by the board of directors and authorised for issue on 16 January 2019 and are signed on its behalf by:

**Mr C P Oddie**  
Director

**Mr J M J Stone**  
Director

**Company Registration No. 04357888**

# **MICHAEL SCHMIDT & PARTNER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **1 Accounting policies**

##### **Company information**

Michael Schmidt & Partner Limited is a private company limited by shares incorporated in England and Wales. The registered office is Chandlery Building, Hamble Point Marina, Hamble, Southampton, SO31 4NB.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

After making the appropriate enquiries, the directors have concluded that the company will be able to meet its financial obligations and will continue to generate positive free cash flow for the foreseeable future and therefore have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future, and accordingly, consider it appropriate to adopt the going concern basis in preparing the accounts.

##### **1.3 Turnover**

Turnover represents amounts receivable for goods, services and commission net of VAT and trade discounts, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements. As regards to recognition of brokerage turnover, commission income is recognised at the point of completion of the sale between the vendor and the purchaser.

##### **1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

## **MICHAEL SCHMIDT & PARTNER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **1 Accounting policies**

**(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.7 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

#### **1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# MICHAEL SCHMIDT & PARTNER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.13 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2017 - 12).

**MICHAEL SCHMIDT & PARTNER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2018****3 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	78,400
<b>Amortisation and impairment</b>	
At 1 September 2017	70,578
Amortisation charged for the year	1,958
At 31 August 2018	72,536
<b>Carrying amount</b>	
At 31 August 2018	5,864
At 31 August 2017	7,822

**4 Tangible fixed assets**

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 September 2017	22,324
Additions	1,189
At 31 August 2018	23,513
<b>Depreciation and impairment</b>	
At 1 September 2017	19,859
Depreciation charged in the year	1,374
At 31 August 2018	21,233
<b>Carrying amount</b>	
At 31 August 2018	2,280
At 31 August 2017	2,465



**MICHAEL SCHMIDT & PARTNER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2018****5 Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	9,992	5,777
Amounts owed by group undertakings	-	6,262
Other debtors	19,055	28,620
Prepayments and accrued income	725	2,069
	<u>29,772</u>	<u>42,728</u>

**6 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	18,303	16,171
Amounts due to group undertakings	12,151	18,551
Corporation tax	5,860	12,880
Other taxation and social security	17,559	12,357
Other creditors	90,788	234,951
	<u>144,661</u>	<u>294,910</u>

Included within other creditors are monies held within the company's client account prior to completion of the sale and purchase of brokerage boats. A corresponding amount of £82,492 (2017: £229,627) is included within the bank balance of £153,676 (2017: £291,421).

**7 Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
800 Ordinary shares of £1 each	800	800
1 'B' Non-voting share of £1 each	1	1
1 'C' Non-voting share of £1 each	1	1
1 'D' Non-voting share of £1 each	1	1
	<u>803</u>	<u>803</u>

## **MICHAEL SCHMIDT & PARTNER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **8 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	13,250	-
Between two and five years	20,979	-
	<u>34,229</u>	<u>-</u>

#### **9 Related party transactions**

The company is a wholly owned subsidiary of Inspiration Marine Holdings Limited and in accordance with paragraph 33.1A of FRS102 is therefore not required to disclose transactions with that company and its fellow subsidiary.

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.