

JOHN SMITH & SONS LIMITED

**Company Registration Number:
05625923 (England and Wales)**

Unaudited abridged accounts for the year ended 31 March 2018

Period of accounts

Start date: 01 April 2017

End date: 31 March 2018

JOHN SMITH & SONS LIMITED

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JOHN SMITH & SONS LIMITED

Balance sheet

As at 31 March 2018

	<i>Notes</i>	<i>2018</i>	<i>2017</i>
		<i>£</i>	<i>£</i>
Fixed assets			
Tangible assets:	3	227,589	159,346
Total fixed assets:		227,589	159,346
Current assets			
Stocks:		18,000	20,500
Debtors:	4	116,773	101,669
Cash at bank and in hand:		227	1,483
Total current assets:		135,000	123,652
Creditors: amounts falling due within one year:	5	(630,789)	(534,798)
Net current assets (liabilities):		(495,789)	(411,146)
Total assets less current liabilities:		(268,200)	(251,800)
Creditors: amounts falling due after more than one year:	6	(400,055)	(364,581)
Total net assets (liabilities):		(668,255)	(616,381)
Capital and reserves			
Called up share capital:		100	100
Profit and loss account:		(668,355)	(616,481)
Shareholders funds:		(668,255)	(616,381)

The notes form part of these financial statements

JOHN SMITH & SONS LIMITED

Balance sheet statements

For the year ending 31 March 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A).

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The directors have chosen to not file a copy of the company's profit & loss account.

This report was approved by the board of directors on 24 December 2018 and signed on behalf of the board by:

Name: I Smith
Status: Director

The notes form part of these financial statements

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

1. Accounting policies

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Tangible fixed assets and depreciation policy

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. 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% reducing balance Computer and office equipment 20% to 25% reducing balance Motor vehicles 15% reducing balance 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.

Other accounting policies

Company information John Smith and Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Airfield, Dalton, Thirsk, North Yorkshire, YO7 3HE.

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 The financial statements have been prepared on the basis of going concern despite the deficiency in net current assets. The company is entirely dependent upon the support of the bank, directors and shareholders. The directors and shareholders have confirmed that they will continue to support the company for the foreseeable future.

1.5 Impairment of fixed assets At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stocks Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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 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.

Basic financial assets Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities Basic financial liabilities, including creditors, shareholder loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

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

1.10 Leases Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of

ownership to the lessees. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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.

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

2. Employees

	<i>2018</i>	<i>2017</i>
Average number of employees during the period	29	26

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements for the Period Ended 31 March 2018

3. Tangible Assets

	Total
Cost	£
At 01 April 2017	312,521
Additions	208,500
Disposals	(221,417)
At 31 March 2018	<u>299,604</u>
Depreciation	
At 01 April 2017	153,175
Charge for year	21,317
On disposals	(102,477)
At 31 March 2018	<u>72,015</u>
Net book value	
At 31 March 2018	<u>227,589</u>
At 31 March 2017	<u>159,346</u>

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

4. Debtors

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Debtors due after more than one year:	0	0
Amounts falling due within one year: Trade debtors	£78,067	£73,522
Other debtors	£21,748	£13,250
Prepayments and accrued income	£16,958	£14,897
	£116,773	£101,669

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

5. Creditors: amounts falling due within one year note

Bank overdraft 26,834 33,607 Obligations under finance leases 53,131 20,785 Related party loans 10,739 12,390 Trade creditors 144,946 147,667 Other taxation and social security 24,312 13,915 Other creditors 356,265 289,366 Accruals and deferred income 14,562 17,068 630,789 534,798 The bank overdraft is secured by a fixed and floating charge on the assets of the company. Obligations under finance leases amounting to £53,131 (2017 - £20,785) are secured on the specific asset.

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

6. Creditors: amounts falling due after more than one year note

Obligations under finance leases (secured) 92,822 43,872 Related party loans 307,233 320,709 400,055
364,581 Amounts included above which fall due after five years are as follows: Payable by instalments
264,276 271,147

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

7. Financial commitments

Operating lease commitmentsLesseeAt the reporting end date the company had outstanding commitments for future minimum lease paymentsunder non-cancellable operating leases, as follows:2018
2017£ £54,383 82,665

JOHN SMITH & SONS LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2018

8. Related party transactions

Name of the related party:	Mr A N Smith & Mr J G Smith
Relationship:	Former Director and Shareholder
Description of the Transaction:	<p>Transactions with related parties Included in other creditors is £266,251 (2017 - £254,715) which is owed to the former directors and shareholders, Mr A N Smith and Mr J G Smith Deceased at the balance sheet date. The amounts are unsecured, interest free and there are no fixed repayment terms. John Smith and Sons received a commercial mortgage and introduced the funds into the company. £317,972 (2017 - £333,099) was outstanding at the balance sheet date. The loan was for a 25 year term (15 years 10 months remaining) and repayable by monthly instalments of £2,475 (2017 - £2,734). Interest paid to the partnership amounted to £21,437 (2017 - £21,632) during the year at the same rates as the ultimate lender. Expenses recharged by the partnership for vehicle hire, rent and loan repayments amounted to £50,192 (2017 - £63,269). The company purchased a vehicle from the partnership for £35,000 (2017 - £Nil) during the year. £131,806 (2017 - £95,203) was owed to the partnership at the balance sheet date. John Smith and Sons is a partnership between A N Smith and J G Smith Deceased. A N Smith is the father of John and Ivan Smith. The company sold goods and services to JS transport during the year amounting to £148,099 (2017 - £99,171) and purchased goods amounting to £12,000 (2017 - £Nil). £1,953 (2017 - £10,562) was outstanding at the balance sheet date. JS Transport is a haulage business owned by John Smith.</p>

	£
Balance at 01 April 2017	254,715
Balance at 31 March 2018	266,251