

SILVERHOOK LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019



**BALANCE SHEET
AS AT 31 MAY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	3	432,592	442,128
		<u>432,592</u>	<u>442,128</u>
Current assets			
Stocks	4	669,787	582,575
Debtors: amounts falling due within one year	5	538,497	681,813
Cash at bank and in hand	6	-	15,353
		<u>1,208,284</u>	<u>1,279,741</u>
Creditors: amounts falling due within one year	7	(914,628)	(1,056,782)
Net current assets		<u>293,656</u>	<u>222,959</u>
Total assets less current liabilities		<u>726,248</u>	<u>665,087</u>
Creditors: amounts falling due after more than one year	8	(310,855)	(336,507)
Net assets		<u><u>415,393</u></u>	<u><u>328,580</u></u>
Capital and reserves			
Called up share capital	9	104	104
Profit and loss account		415,289	328,476
		<u><u>415,393</u></u>	<u><u>328,580</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr J Iszatt
Director

Date:

16/8/2019

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

1. General information

Silverhook Ltd is a private company, limited by shares, registered in England and Wales, registration number 02635167. The registered office is 14 Bates Road, Harold Wood, Romford, Essex RM3 0JH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statement have been prepared in pounds sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance and a straight line basis.

Depreciation is provided on the following basis:

Freehold property	- Land at nil%, Buildings and improvements at 2% straight line
Plant and machinery	- 10% reducing balance
Fixtures and fittings	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Invoice discounting

The company operates an invoice discounting agreement which covers certain trade debtors. There is a 100% recourse agreement and hence the company retains the debtors in the balance sheet and amounts received in respect of invoice discounting are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

3. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 June 2018	382,547	413,724	15,667	811,938
Additions	-	3,826	2,790	6,616
At 31 May 2019	382,547	417,550	18,457	818,554
Depreciation				
At 1 June 2018	68,029	299,016	2,765	369,810
Charge for the year	3,051	11,534	1,567	16,152
At 31 May 2019	71,080	310,550	4,332	385,962
Net book value				
At 31 May 2019	311,467	107,000	14,125	432,592
At 31 May 2018	314,518	114,708	12,902	442,128

4. Stocks

	2019 £	2018 £
Finished goods and goods for resale	669,787	582,575
	669,787	582,575

5. Debtors

	2019 £	2018 £
Trade debtors	278,131	145,032
Amounts owed by group undertakings	260,366	535,331
Other debtors	-	1,450
	538,497	681,813

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	-	15,353
Less: bank overdrafts	(32,849)	-
	<u>(32,849)</u>	<u>15,353</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	32,849	-
Bank loans	79,980	26,462
Trade creditors	577,721	975,277
Other taxation and social security	135,180	52,043
Other creditors	898	-
Accruals and deferred income	88,000	3,000
	<u>914,628</u>	<u>1,056,782</u>

Bank overdrafts of £32,849 (2018: £nil) and bank loans of £79,980 (2018: £26,462) are secured by the company.

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	310,855	336,507
	<u>310,855</u>	<u>336,507</u>

Bank loans of £310,855 (2018: £336,507) are secured by the company.

9. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
104 (2018 - 104) Ordinary shares of £1.00 each	<u>104</u>	<u>104</u>

SILVERHOOK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

10. Ultimate parent company

The ultimate parent undertaking during the year was Silverhook Holdings Limited, a company registered in England and Wales. The registered office is 17-18 Bates Road, Harold Wood, Romford, RM3 0JH.