

Registered number: 00916841

Stevens & Carlotti Limited

Financial statements

For the year ended 30 September 2019

Balance sheet
As at 30 September 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	5	55,881	38,490
Tangible assets	6	2,015,357	2,160,223
		2,071,238	2,198,713
Current assets			
Stocks		62,989	78,668
Debtors: amounts falling due within one year	7	1,311,853	1,713,423
Cash at bank and in hand		840,879	661,713
		2,215,721	2,453,804
Creditors: amounts falling due within one year	8	(668,791)	(742,131)
Net current assets		1,546,930	1,711,673
Total assets less current liabilities		3,618,168	3,910,386
Provisions for liabilities			
Deferred tax	9	(149,000)	(180,349)
Net assets		3,469,168	3,730,037
Capital and reserves			
Called up share capital	10	100,000	100,000
Profit and loss account		3,369,168	3,630,037
		3,469,168	3,730,037

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 income and retained earnings 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:

M P Carlotti
Director

Date: 26 June 2020

The notes on pages 2 to 10 form part of these financial statements.

Notes to the financial statements
For the year ended 30 September 2019

1. General information

Stevens & Carlotti Limited is a private company limited by shares and is incorporated in England with the registration number 00916841. The address of the registered office is Pembroke Works, Ramsgate Road, Sandwich, Kent, CT13 9ST.

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 company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Revenue recognition

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the financial statements
For the year ended 30 September 2019

2. Accounting policies (continued)

2.3 Government grants

Grants are accounted under the performance model as permitted by FRS 102. Grants that specify performance-related conditions are recognised in the statement of income and retained earnings when the performance-related conditions are met. All other grants are recognised in the statement of income and retained earnings when the grant proceeds are received or receivable.

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Pensions

Defined contribution pension plan

The company operates a defined contribution 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 income and retained earnings 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 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

2.7 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

Notes to the financial statements
For the year ended 30 September 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	10 % straight line
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Notes to the financial statements
For the year ended 30 September 2019

2. Accounting policies (continued)

2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	Over the lease term
Plant and machinery	-	10%
Motor vehicles	-	25%
Fixtures and fittings	-	25%

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 income and retained earnings.

2.11 Change in accounting policy

The company has previously adopted an accounting policy of depreciating plant and machinery and amortising computer software on a 15 - 25% reducing balance basis. Following a change in accounting policy, these assets are now depreciated on a 10% straight line basis. The directors believe that this accounting policy will provide more reliable and relevant financial information because it more accurately reflects the use of these assets over their useful lives.

After making adjustments to depreciation, amortisation and deferred tax charges, the effect of this change in accounting policy is to reduce the loss after tax for the year by £24,276 (2018 - £20,893). The net assets of the company have increased by £541,902 (2018 - £517,559).

2.12 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.

Notes to the financial statements
For the year ended 30 September 2019

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 income and retained earnings.

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.

2.16 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.

Notes to the financial statements
For the year ended 30 September 2019

2. Accounting policies (continued)

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 88 (2018 - 103).

4. Dividends

	2019 £	2018 £
Dividends paid on equity capital	<u>75,000</u>	<u>125,000</u>

5. Intangible assets

	Computer software £
Cost	
At 1 October 2018	40,904
Additions	22,374
At 30 September 2019	<u>63,278</u>
Amortisation	
At 1 October 2018 (as previously stated)	5,183
Prior Year Adjustment	<u>(2,769)</u>
At 1 October 2018 (as restated)	2,414
Charge for the year	4,983
At 30 September 2019	<u>7,397</u>
Net book value	
At 30 September 2019	<u>55,881</u>
At 30 September 2018 (as restated)	<u>38,490</u>

Notes to the financial statements
For the year ended 30 September 2019

6. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 October 2018 (as previously stated)	67,987	4,574,382	95,989	144,705	4,883,063
Prior Year Adjustment	-	(14,945)	-	-	(14,945)
At 1 October 2018 (as restated)	67,987	4,559,437	95,989	144,705	4,868,118
Additions	-	250,395	-	11,806	262,201
Disposals	-	(41,014)	(27,000)	(27,147)	(95,161)
At 30 September 2019	67,987	4,768,818	68,989	129,364	5,035,158
Depreciation					
At 1 October 2018 (as previously stated)	48,602	3,125,954	89,221	79,859	3,343,636
Prior Year Adjustment	-	(635,741)	-	-	(635,741)
At 1 October 2018 (as restated)	48,602	2,490,213	89,221	79,859	2,707,895
Charge for the year on owned assets	4,166	378,875	2,800	21,160	407,001
Disposals	-	(40,950)	(27,000)	(27,145)	(95,095)
At 30 September 2019	52,768	2,828,138	65,021	73,874	3,019,801
Net book value					
At 30 September 2019	15,219	1,940,680	3,968	55,490	2,015,357
At 30 September 2018 (as restated)	19,385	2,069,224	6,768	64,846	2,160,223

7. Debtors

	2019 £	2018 £
Trade debtors	913,689	1,284,644
Other debtors	-	94,097
Prepayments and accrued income	73,600	35,274
Amounts recoverable on long term contracts	324,564	299,408
	<u>1,311,853</u>	<u>1,713,423</u>

Notes to the financial statements
For the year ended 30 September 2019

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	224,904	289,222
Corporation tax	5,726	-
Other taxation and social security	157,023	197,386
Other creditors	158,143	156,645
Accruals and deferred income	122,995	98,878
	<u>668,791</u>	<u>742,131</u>

9. Deferred taxation

	2019 £	As restated 2018 £
At beginning of year	(180,349)	(142,774)
Charged to profit or loss	31,349	(37,575)
At end of year	<u>(149,000)</u>	<u>(180,349)</u>

The provision for deferred taxation is made up as follows:

	2019 £	As restated 2018 £
Accelerated capital allowances	<u>(149,000)</u>	<u>(180,349)</u>

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

11. Capital commitments

At 30 September 2019 the company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>138,670</u>

Notes to the financial statements
For the year ended 30 September 2019

12. Commitments under operating leases

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	325,000	195,333
Later than 1 year and not later than 5 years	1,300,000	-
Later than 5 years	2,166,667	-
	<u>3,791,667</u>	<u>195,333</u>

13. Related party transactions

During the year the company paid dividends to a director of the company, in the sum of £15,000 (2018 - £25,000).

All other related party transactions during the current and prior periods, including key management personnel compensation, were made under normal market conditions.

14. Post balance sheet events

Substantive information about the COVID-19 disease only came to light in early 2020, with the World Health Organisation declaring a pandemic on 11 March 2020.

The directors have carefully considered the impact of the pandemic and its effect on the economic climate and have concluded that as at the approval date of these financial statements, there has been no material impact on the company.

The company continues to maintain a strong net asset position and the directors will continue to closely monitor the company's operational activities.

15. Controlling party

In the opinion of the directors, there is no controlling party.

16. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 26 June 2020 by Mark Attwood FCCA (senior statutory auditor) on behalf of Kreston Reeves LLP.

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.