

Smiles (Fish & Chips) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Sterling Grove Accountants Limited
Chartered Certified Accountants
Fawley House
2 Regatta Place
Marlow Road
Bourne End
Buckinghamshire
SL8 5TD

Smiles (Fish & Chips) Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Unaudited Financial Statements	<u>4</u> to <u>10</u>

Smiles (Fish & Chips) Limited

Company Information

Directors	Mr LE Birkenhead Mr S Prior
Registered office	Fawley House 2 Regatta Place Marlow Road Bourne End Buckinghamshire SL8 5TD
Accountants	Sterling Grove Accountants Limited Chartered Certified Accountants Fawley House 2 Regatta Place Marlow Road Bourne End Buckinghamshire SL8 5TD

Smiles (Fish & Chips) Limited
(Registration number: 04695330)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	135,000	161,000
Tangible assets	<u>5</u>	590,364	594,035
		<u>725,364</u>	<u>755,035</u>
Current assets			
Stocks	<u>6</u>	36,000	30,000
Debtors	<u>7</u>	242,715	252,577
Cash at bank and in hand		1,338	1,444
		280,053	284,021
Creditors: Amounts falling due within one year	<u>8</u>	(255,653)	(328,199)
Net current assets/(liabilities)		24,400	(44,178)
Total assets less current liabilities		749,764	710,857
Creditors: Amounts falling due after more than one year	<u>8</u>	(716,587)	(701,838)
Provisions for liabilities		(25,000)	(28,500)
Net assets/(liabilities)		<u>8,177</u>	<u>(19,481)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		8,077	(19,581)
Shareholders' funds/(deficit)		<u>8,177</u>	<u>(19,481)</u>

For the financial year ending 31 March 2021 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 7 December 2021 and signed on its behalf by:

Smiles (Fish & Chips) Limited
(Registration number: 04695330)
Balance Sheet as at 31 March 2021

.....
Mr S Prior
Director

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Fawley House
2 Regatta Place
Marlow Road
Bourne End
Buckinghamshire
SL8 5TD

These financial statements were authorised for issue by the Board on 7 December 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Government grants

Government grants are recognised under the accrual model of grant recognition. This model requires the grant to be classified as either a revenue-based grant or a capital-based grant.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	5% straight line
Leasehold property	10% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Furniture and equipment	20% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	ten years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 38 (2020 - 36).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2020	649,999	649,999
At 31 March 2021	649,999	649,999
Amortisation		
At 1 April 2020	488,999	488,999
Amortisation charge	26,000	26,000
At 31 March 2021	514,999	514,999
Carrying amount		
At 31 March 2021	135,000	135,000
At 31 March 2020	161,000	161,000

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

5 Tangible assets

Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
576,931	326,437	9,950	159,474	1,072,792
-	22,197	-	37,490	59,687
-	(100)	-	-	(100)
576,931	348,534	9,950	196,964	1,132,379
147,868	237,940	6,999	85,950	478,757
19,168	21,249	738	22,203	63,358
-	(100)	-	-	(100)
167,036	259,089	7,737	108,153	542,015
409,895	89,445	2,213	88,811	590,364
429,063	88,497	2,951	73,524	594,035

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

6 Stocks

	2021 £	2020 £
Other inventories	36,000	30,000

7 Debtors

	2021 £	2020 £
Trade debtors	21,230	47
Prepayments	14,894	564
Other debtors	206,591	251,966
	242,715	252,577

8 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	9	65,586	93,316
Trade creditors		99,389	150,968
Taxation and social security		68,910	79,135
Accruals and deferred income		3,000	3,000
Other creditors		11,640	1,780
Corporation tax		7,128	-
		255,653	328,199

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £65,586 (2020 - £93,316).

The bank loans are secured by personal guarantees given by the directors and a charge over their personal freehold property. Finance leases are secured on the assets concerned.

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	9	716,587	701,838

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £716,587 (2020 - £701,838)

Smiles (Fish & Chips) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2021

9 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	691,286	669,550
Hire purchase contracts	25,301	32,288
	<u>716,587</u>	<u>701,838</u>

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	50,564	57,786
Bank overdrafts	5,571	26,080
Hire purchase contracts	9,451	9,450
	<u>65,586</u>	<u>93,316</u>

10 Related party transactions

Transactions with directors

	At 1 April 2020 £	Advances to directors £	Repayments by director £	At 31 March 2021 £
2021				
Mr LE Birkenhead				
Advance	97,485	6,637	(23,425)	80,697

Mr S Prior				
Advance	97,485	31,511	(48,300)	80,696

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
Mr LE Birkenhead				
Advance	84,465	13,020	-	97,485
Mr S Prior				
Advance	83,223	14,262	-	97,485

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.