

**COMPANY REGISTRATION NUMBER: 04807971**

**Spectrum Diamonds Limited**  
**Filleted Unaudited Financial Statements**  
**28 February 2019**

**GREGORY, PRIESTLEY & STEWART**

Chartered Accountants  
Lyndhurst  
1 Cranmer Street  
Long Eaton  
Nottingham  
NG10 1NJ



# Spectrum Diamonds Limited

## Statement of Financial Position

28 February 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	5	6,454	8,068
Tangible assets	6	<u>42,528</u>	<u>46,500</u>
		48,982	54,568
<b>Current assets</b>			
Stocks		219,110	171,098
Debtors	7	10,013	10,794
Cash at bank and in hand		<u>42,368</u>	<u>71,190</u>
		271,491	253,082
<b>Creditors: amounts falling due within one year</b>	8	<u>153,415</u>	<u>184,196</u>
<b>Net current assets</b>		118,076	68,886
<b>Total assets less current liabilities</b>		167,058	123,454
<b>Creditors: amounts falling due after more than one year</b>	9	<u>–</u>	<u>4,649</u>
<b>Net assets</b>		<u>167,058</u>	<u>118,805</u>
<b>Capital and reserves</b>			
Called up share capital		1,135	1,135
Share premium account		125,000	125,000
Profit and loss account		<u>40,923</u>	<u>(7,330)</u>
<b>Shareholders funds</b>		<u>167,058</u>	<u>118,805</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 28 February 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- 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;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

The notes on pages 3 to 7 form part of these financial statements.

# **Spectrum Diamonds Limited**

## **Statement of Financial Position** *(continued)*

**28 February 2019**

These financial statements were approved by the board of directors and authorised for issue on 23 April 2019, and are signed on behalf of the board by:

  
Mr R Temprell  
Director

Company registration number: 04807971

The notes on pages 3 to 7 form part of these financial statements.

# **Spectrum Diamonds Limited**

## **Notes to the Financial Statements**

**Year ended 28 February 2019**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Lyndhurst, 1 Cranmer Street, Long Eaton, Nottingham, NG10 1NJ.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

# **Spectrum Diamonds Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 28 February 2019**

### **3. Accounting policies *(continued)***

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5% straight line
Brand development	-	20% reducing balance

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Web development	-	20% reducing balance

# **Spectrum Diamonds Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 28 February 2019**

### **3. Accounting policies *(continued)***

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

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

### **4. Employee numbers**

The average number of persons employed by the company during the year amounted to 8 (2018: 6).

# Spectrum Diamonds Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

### 5. Intangible assets

	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 March 2018 and 28 February 2019	<u>42,000</u>	<u>39,792</u>	<u>81,792</u>
<b>Amortisation</b>			
At 1 March 2018	42,000	31,724	73,724
Charge for the year	—	1,614	1,614
At 28 February 2019	<u>42,000</u>	<u>33,338</u>	<u>75,338</u>
<b>Carrying amount</b>			
At 28 February 2019	<u>—</u>	<u>6,454</u>	<u>6,454</u>
At 28 February 2018	<u>—</u>	<u>8,068</u>	<u>8,068</u>

### 6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Web development £	Total £
<b>Cost</b>				
At 1 March 2018	38,133	165,548	3,150	206,831
Additions	—	3,730	—	3,730
Disposals	—	(1,560)	—	(1,560)
At 28 February 2019	<u>38,133</u>	<u>167,718</u>	<u>3,150</u>	<u>209,001</u>
<b>Depreciation</b>				
At 1 March 2018	27,645	130,448	2,238	160,331
Charge for the year	1,573	5,543	182	7,298
Disposals	—	(1,156)	—	(1,156)
At 28 February 2019	<u>29,218</u>	<u>134,835</u>	<u>2,420</u>	<u>166,473</u>
<b>Carrying amount</b>				
At 28 February 2019	<u>8,915</u>	<u>32,883</u>	<u>730</u>	<u>42,528</u>
At 28 February 2018	<u>10,488</u>	<u>35,100</u>	<u>912</u>	<u>46,500</u>

### 7. Debtors

	2019 £	2018 £
Other debtors	<u>10,013</u>	<u>10,794</u>

# Spectrum Diamonds Limited

## Notes to the Financial Statements *(continued)*

**Year ended 28 February 2019**

**8. Creditors: amounts falling due within one year**

	2019 £	2018 £
Bank loans and overdrafts	4,649	13,949
Trade creditors	47,647	49,194
Corporation tax	15,499	3,146
Social security and other taxes	23,332	29,897
Wage control	611	–
Other creditors	61,677	88,010
	<u>153,415</u>	<u>184,196</u>

**9. Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Bank loans and overdrafts	–	4,649
	<u>–</u>	<u>4,649</u>

**10. Director's advances, credits and guarantees**

During the year the director entered into the following advances and credits with the company:

	<b>2019</b>			
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Mr R Temprell	<u>3,419</u>	<u>38,549</u>	<u>(73,816)</u>	<u>(31,848)</u>

  

	<b>2018</b>			
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Mr R Temprell	<u>(9,388)</u>	<u>12,865</u>	<u>(58)</u>	<u>3,419</u>