

Purely Digital Limited
Unaudited filleted financial statements
31 August 2019



Company registration number: 06481363

Purely Digital Limited

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Statement of financial position
31 August 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	6	95,959		98,396	
			95,959		98,396
Current assets					
Stocks and work in progress		27,651		28,401	
Debtors	7	88,242		106,394	
Investments	8	205,883		200,257	
Cash at bank and in hand		33,148		55,265	
		354,924		390,317	
Creditors: amounts falling due within one year	9	(82,303)		(74,502)	
Net current assets			272,621		315,815
Total assets less current liabilities			368,580		414,211
Provisions for liabilities	10		(12,962)		(12,268)
Net assets			355,618		401,943
Capital and reserves					
Called up share capital			3		3
Profit and loss account			355,615		401,940
Shareholders funds			355,618		401,943

For the year ending 31 August 2019 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

The notes on pages 3 to 8 form part of these financial statements.

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Statement of financial position (continued)
31 August 2019

These financial statements were approved by the board of directors and authorised for issue on 17 January 2020, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'A. J. Edmondson', with a stylized, cursive script.

Mr. A. J. Edmondson
Director

Company registration number: 06481363

The notes on pages 3 to 8 form part of these financial statements.

Purely Digital Limited

Notes to the financial statements Year ended 31 August 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 7 Jubilee Parkway, Jubilee Business Park, off Stores Road, Derby, DE21 4BJ.

2. Statement of compliance

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

Turnover

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 the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, 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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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Notes to the financial statements (continued) Year ended 31 August 2019

Tangible assets

Tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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	- 25% straight line less residual value
Fixtures, fittings and equipment	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 33.33% straight line

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

Impairment

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.

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 are largely independent of the cash inflows from other assets or groups of assets.

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 stocks to their present location and condition.

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Notes to the financial statements (continued) Year ended 31 August 2019

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company 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.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2018: 21).

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Notes to the financial statements (continued)
Year ended 31 August 2019

5. Tax on loss/profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax income/expense	(329)	329
Deferred tax:		
Origination and reversal of timing differences	694	1,779
Tax on loss/profit	<u>365</u>	<u>2,108</u>

6. Tangible assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2018	426,193	12,604	16,100	37,835	492,732
Additions	21,427	667	-	3,739	25,833
At 31 August 2019	<u>447,620</u>	<u>13,271</u>	<u>16,100</u>	<u>41,574</u>	<u>518,565</u>
Depreciation					
At 1 September 2018	357,283	8,267	-	28,786	394,336
Charge for the year	18,851	715	4,025	4,679	28,270
At 31 August 2019	<u>376,134</u>	<u>8,982</u>	<u>4,025</u>	<u>33,465</u>	<u>422,606</u>
Carrying amount					
At 31 August 2019	<u>71,486</u>	<u>4,289</u>	<u>12,075</u>	<u>8,109</u>	<u>95,959</u>
At 31 August 2018	<u>68,910</u>	<u>4,337</u>	<u>16,100</u>	<u>9,049</u>	<u>98,396</u>

7. Debtors

	2019 £	2018 £
Trade debtors	65,648	82,922
Other debtors	22,594	23,472
	<u>88,242</u>	<u>106,394</u>

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Notes to the financial statements (continued)
Year ended 31 August 2019

8. Investments

	2019	2018
	£	£
Other investments	<u>205,883</u>	<u>200,257</u>

9. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	50,248	48,632
Corporation tax	329	329
Social security and other taxes	15,350	7,868
Other creditors	16,376	17,673
	<u>82,303</u>	<u>74,502</u>

10. Provisions

	Deferred tax (note 11)	Total
	£	£
At 1 September 2018	12,268	12,268
Movement in the year	694	694
At 31 August 2019	<u>12,962</u>	<u>12,962</u>

11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 10)	<u>12,962</u>	<u>12,268</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>12,962</u>	<u>12,268</u>

The provision for deferred taxation relates entirely to accelerated capital allowances.

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Notes to the financial statements (continued)
Year ended 31 August 2019

12. Directors advances, credits and guarantees

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

	2019			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr. G. W. Gillott	9,767	6,171	(6,500)	9,438
Mr. A. J. Edmondson	(7,262)	28,823	(28,100)	(6,539)
	<u>2,505</u>	<u>34,994</u>	<u>(34,600)</u>	<u>2,899</u>
	2018			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr. G. W. Gillott	11,738	1,279	(3,250)	9,767
Mr. A. J. Edmondson	(19,862)	42,100	(29,500)	(7,262)
	<u>(8,124)</u>	<u>43,379</u>	<u>(32,750)</u>	<u>2,505</u>

a) The director's current account in respect of G. W. Gillott had a maximum overdrawn balance of £13,410.

b) The following transactions took place with the directors:-

Mileage expenses were paid to A. J. Edmondson in the sum of £2,063 (2018: £2,388) in respect of business mileage undertaken in his own vehicle during the year.

Interest was paid to the company by G. W. Gillott on his overdrawn directors current account in the sum of £172 (2018 £279).

13. Controlling party

The company is controlled by the directors.