

Picture Business (Bournemouth) Ltd

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2018

Lanham & Francis
Chartered Accountants
77a Cheap Street
Sherborne
Dorset
DT9 3BA

Picture Business (Bournemouth) Ltd

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Picture Business (Bournemouth) Ltd

Company Information

Director C J Smith

Registered office 77a Cheap Street
Sherborne
Dorset
DT9 3BA

Accountants Lanham & Francis
Chartered Accountants
77a Cheap Street
Sherborne
Dorset
DT9 3BA

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory
Accounts of
Picture Business (Bournemouth) Ltd
for the Year Ended 31 March 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Picture Business (Bournemouth) Ltd for the year ended 31 March 2018 as set out on pages [3](#) to [10](#) from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Picture Business (Bournemouth) Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Picture Business (Bournemouth) Ltd and state those matters that we have agreed to state to the Board of Directors of Picture Business (Bournemouth) Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Picture Business (Bournemouth) Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Picture Business (Bournemouth) Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Picture Business (Bournemouth) Ltd. You consider that Picture Business (Bournemouth) Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Picture Business (Bournemouth) Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Lanham & Francis
Chartered Accountants
77a Cheap Street
Sherborne
Dorset
DT9 3BA

21 December 2018

Picture Business (Bournemouth) Ltd

(Registration number: 05131820)

Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	15,636	16,412
Current assets			
Stocks	5	80,150	84,387
Debtors	6	187,139	237,507
Cash at bank and in hand		524	28,313
		<hr/> 267,813	<hr/> 350,207
Creditors: Amounts falling due within one year	7	<hr/> (247,102)	<hr/> (264,915)
Net current assets		<hr/> 20,711	<hr/> 85,292
Total assets less current liabilities		36,347	101,704
Creditors: Amounts falling due after more than one year	7	(103)	-
Provisions for liabilities		<hr/> (2,971)	<hr/> (3,282)
Net assets		<hr/> 33,273	<hr/> 98,422
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<hr/> 33,173	<hr/> 98,322
Total equity		<hr/> 33,273	<hr/> 98,422

For the financial year ending 31 March 2018 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 accounts for the year in question in accordance with section 476; and
- The director acknowledges his 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 director on 21 December 2018

C J Smith

Director

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018

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:

77a Cheap Street
Sherborne
Dorset
DT9 3BA

The principal place of business is:

Westover Gallery
4 Westover Road
Bournemouth
Dorset
BH1 2BY

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.

These financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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 value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of transaction. All material exchange differences are included in the profit and loss account.

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.

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 United Kingdom.

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation.

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
Plant and machinery	20% on reducing balance
Office equipment	25% on cost

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. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price.

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 in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

FRS 102 classifies financial instruments as either basic financial instruments or other financial instruments. The accounting treatment varies according to the classification.

Basic financial instruments are defined as one of the following:

- cash
- a debt instrument (such as accounts receivable and payable)
- commitment to receive a loan that satisfy certain criteria
- investments in non-convertible preference shares, and non puttable ordinary shares.

All other financial instruments are classed as other financial instruments and treated accordingly.

Recognition and measurement

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 8 (2017 - 10).

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

4 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2017	8,870	48,278	57,148
Additions	4,996	-	4,996
Disposals	(892)	(829)	(1,721)
At 31 March 2018	12,974	47,449	60,423
Depreciation			
At 1 April 2017	5,926	34,810	40,736
Charge for the year	2,548	2,694	5,242
Eliminated on disposal	(892)	(299)	(1,191)
At 31 March 2018	7,582	37,205	44,787
Carrying amount			
At 31 March 2018	5,392	10,244	15,636
At 31 March 2017	2,944	13,468	16,412

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

5 Stocks

	2018 £	2017 £
Other inventories	80,150	84,387

6 Debtors

	2018 £	2017 £
Trade debtors	28,702	15,166
Other debtors	158,437	222,341
Total current trade and other debtors	187,139	237,507

7 Creditors

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	8	617	-
Trade creditors		134,923	120,498
Taxation and social security		20,815	22,373
Other creditors		90,747	122,044
		247,102	264,915
Due after one year			
Loans and borrowings	8	103	-

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	103	-
	<hr/> <hr/>	<hr/> <hr/>
	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	617	-
	<hr/> <hr/>	<hr/> <hr/>

Creditors include bank loans which are secured of £720 (2017 - £nil).

9 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £797,975 (2017 - £53,742).

10 Related party transactions

Transactions with directors

	At 1 April 2017 £	Advances to directors £	Repayments by director £	At 31 March 2018 £
2018				
C J Smith				
Interest free loan	125,560	90,429	(125,560)	90,429
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	At 1 April 2016 £	Advances to directors £	Repayments by director £	At 31 March 2017 £
2017				
C J Smith				
Interest free loan	40,897	125,560	(40,897)	125,560
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Picture Business (Bournemouth) Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

10 Related party transactions (continued)

Summary of transactions with entities with joint control or significant interest

Old Barn Framing Gallery Ltd, a company controlled by C J Smith.
 There is an inter-company loan account.
 Interest free

Loans to related parties

	Entities with joint control or significant influence £
2018	
At start of period	79,441
Advanced	114,636
Repaid	(128,553)
	<hr/>
At end of period	<u>65,524</u>
	Entities with joint control or significant influence £
2017	
At start of period	61,903
Advanced	43,793
Repaid	(26,255)
	<hr/>
At end of period	<u>79,441</u>