

Company Registration No. 04049461 (England and Wales)

CHIPSIDE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
PAGES FOR FILING WITH REGISTRAR

CHIPSIDE LIMITED

COMPANY INFORMATION

Directors	P J Moorby R A Clements
Secretary	R A Clements
Company number	04049461
Registered office	Unit 7 Callow Hill Brinkworth Chippenham Wiltshire SN15 5FD
Auditors	Pearson May 67 & 68 St Mary Street Chippenham Wiltshire SN15 3JF
Bankers	Royal Bank of Scotland plc 127 Commercial Road Swindon Wiltshire England SN1 5PZ

CHIPSIDE LIMITED

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CHIPSIDE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	3		243		-
Tangible assets	4		159,170		119,504
Investments	5		59,120		59,120
			<u>218,533</u>		<u>178,624</u>
Current assets					
Stocks		1,527		8,453	
Debtors		1,483,080		971,439	
Cash at bank and in hand		527,851		657,874	
		<u>2,012,458</u>		<u>1,637,766</u>	
Creditors: amounts falling due within one year	6	(769,575)		(848,047)	
Net current assets			<u>1,242,883</u>		<u>789,719</u>
Total assets less current liabilities			<u>1,461,416</u>		<u>968,343</u>
Creditors: amounts falling due after more than one year	7	(284,610)		(61,307)	
Provisions for liabilities			(29,941)		(22,177)
Net assets			<u><u>1,146,865</u></u>		<u><u>884,859</u></u>
Capital and reserves					
Called up share capital	8		3,000		3,000
Profit and loss reserves			1,143,865		881,859
Total equity			<u><u>1,146,865</u></u>		<u><u>884,859</u></u>

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

CHIPSIDE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The financial statements were approved by the board of directors and authorised for issue on 30 May 2022 and are signed on its behalf by:

P J Moorby
Director

R A Clements
Director

Company Registration No. 04049461

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

Chipside Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 7 Callow Hill, Brinkworth, Chippenham, Wiltshire, SN15 5FD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

Revenue from contracts for the provision of services is recognised when the services are performed.

A significant amount of up-front costs are incurred on certain software and hardware contracts. The company's policy is to recognise 80% of the contract revenue when the contract commences, with the remaining 20% recognised over the relevant contract period.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks	10% straight line
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CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	Straight line over life of lease
Fixtures, fittings & equipment	25% straight line
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	45	56
	<u> </u>	<u> </u>

3 Intangible fixed assets

	Total
	£
Cost	
At 1 September 2020	-
Additions	270
	<u> </u>
At 31 August 2021	270
	<u> </u>
Amortisation and impairment	
At 1 September 2020	-
Amortisation charged for the year	27
	<u> </u>
At 31 August 2021	27
	<u> </u>
Carrying amount	
At 31 August 2021	243
	<u> </u>
At 31 August 2020	-
	<u> </u>

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4	Tangible fixed assets	Total
		£
	Cost	
	At 1 September 2020	291,964
	Additions	89,053
	Disposals	(65,453)
		<hr/>
	At 31 August 2021	315,564
		<hr/>
	Depreciation and impairment	
	At 1 September 2020	172,460
	Depreciation charged in the year	49,387
	Eliminated in respect of disposals	(65,453)
		<hr/>
	At 31 August 2021	156,394
		<hr/>
	Carrying amount	
	At 31 August 2021	159,170
		<hr/> <hr/>
	At 31 August 2020	119,504
		<hr/> <hr/>

CHIPSIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	59,120	59,120

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 September 2020 & 31 August 2021	59,120
Carrying amount	
At 31 August 2021	59,120
At 31 August 2020	59,120

6 Creditors: amounts falling due within one year

Creditors due in less than one year include hire purchase liabilities of £12,198 (2020 £7,085) which are secured on the assets to which they relate.

7 Creditors: amounts falling due after more than one year

Creditors due after one year includes hire purchase liabilities of £62,388 (2020 £61,307) which are secured on the assets to which they relate.

8 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	3,000	3,000	3,000	3,000

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	210,000	278,000

CHIPSIDE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****10 Directors' transactions**

Loans have been granted by the company to the directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan	2.15	32,064	18,867	762	(7,875)	43,818
Loan	2.15	25,876	75,150	553	(75,049)	26,530
		<u>57,940</u>	<u>94,017</u>	<u>1,315</u>	<u>(82,924)</u>	<u>70,348</u>

The above loans are unsecured and repayable on demand.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditors' report was unqualified.

The senior statutory auditor was Matthew Rutter BSc FCA.

The auditor was Pearson May.

12 Prior period adjustment

The financial statements for the year ended 31 August 2021 include a prior period adjustment to remove balances of £2,756,611 held in client bank accounts at 31 August 2020 from both debtors and creditors within the balance sheet. The directors consider that this more accurately reflects the nature of the client account bank accounts.

The financial effect of the reclassification at 31 August 2020 was to reduce debtors by £2,756,611 and reduce creditors by £2,756,611. Net current assets and net assets are unaffected. Profit for the year ended 31 August 2020 is also unaffected by the adjustment.

