

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

SEMMCO LIMITED

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SEMMCO LIMITED
REGISTERED NUMBER:02763956

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets		337,044	232,777
		337,044	232,777
Current assets			
Stocks		782,531	607,262
Debtors: amounts falling due within one year	6	2,405,006	1,684,009
Bank and cash balances		127,778	369,824
		3,315,315	2,661,095
Creditors: amounts falling due within one year	7	(2,078,862)	(1,665,530)
Net current assets		1,236,453	995,565
Total assets less current liabilities		1,573,497	1,228,342
Creditors: Amounts Falling Due After More Than One Year	8	(474,923)	(237,871)
Provisions for liabilities			
Deferred tax		(52,588)	(2,237)
		(52,588)	(2,237)
Net assets		1,045,986	988,234
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		1,044,986	987,234
		1,045,986	988,234

SEMMCO LIMITED
REGISTERED NUMBER:02763956

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr S M McOnie
Director
Date: 6 July 2020

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

SEMMCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Semmco Limited is a private company limited by shares, registered in England and Wales. The address of its registered office and principal place of business disclosed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SEMMCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10% straight line
Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Equipment	-	50% straight line
Leased assets	-	over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.4 Research and development costs

Research and development expenditure is written off in the year in which it is incurred.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SEMMCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

3. Employees

The average number of employees, including directors, during the year was 43 (2018 - 37).

4. Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

5. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Equipment
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	38,594	449,609	62,198	38,112	183,086
Additions	-	46,189	12,490	21,219	12,600
At 31 December 2019	38,594	495,798	74,688	59,331	195,686
Depreciation					
At 1 January 2019	2,493	397,731	39,146	16,581	174,185
Charge for the year on owned assets	3,859	23,325	13,350	9,786	13,217
At 31 December 2019	6,352	421,056	52,496	26,367	187,402
Net book value					
At 31 December 2019	32,242	74,742	22,192	32,964	8,284
At 31 December 2018	36,101	51,878	23,052	21,531	8,901

SEMMCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Tangible fixed assets (continued)

	Leased assets £	Total £
Cost or valuation		
At 1 January 2019	462,944	1,234,543
Additions	141,805	234,303
At 31 December 2019	<u>604,749</u>	<u>1,468,846</u>
Depreciation		
At 1 January 2019	371,630	1,001,766
Charge for the year on owned assets	66,499	130,036
At 31 December 2019	<u>438,129</u>	<u>1,131,802</u>
Net book value		
At 31 December 2019	<u>166,620</u>	<u>337,044</u>
At 31 December 2018	<u>91,314</u>	<u>232,777</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Long leasehold	32,242	36,101
	<u>32,242</u>	<u>36,101</u>

6. Debtors

	2019 £	2018 £
Trade debtors	1,065,110	780,760
Other debtors	1,083,722	875,284
Prepayments and accrued income	256,174	27,965
	<u>2,405,006</u>	<u>1,684,009</u>

SEMMCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	635,316	582,067
Other taxation and social security	53,212	32,545
Obligations under finance lease and hire purchase contracts	32,118	15,157
Other creditors	1,330,380	1,031,561
Accruals and deferred income	27,836	4,200
	<u>2,078,862</u>	<u>1,665,530</u>

Included within other creditors is an amount of £543,215 (2018 - £334,751) owing to an invoice finance facility which is secured on the company's debtors.

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	95,433	6,272
Other creditors	379,490	231,599
	<u>474,923</u>	<u>237,871</u>

9. Parent undertaking

The parent undertaking of the company is Semmco Group Limited. The registered office of Semmco Group Limited is 9 Kestrel Way, Goldsworth Park Trading Estate, Woking, Surrey GU21 3BA.

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.