

CHEMSTAR LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2018

CHEMSTAR LIMITED
REGISTERED NUMBER: 02842128

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	1	1
Tangible assets	6	10,469	8,127
		10,470	8,128
Current assets			
Stocks	7	120,527	136,696
Debtors: amounts falling due within one year	8	168,070	128,479
Cash at bank and in hand	9	63,208	71,243
		351,805	336,418
Creditors: amounts falling due within one year	10	(257,672)	(280,888)
Net current assets		94,133	55,530
Total assets less current liabilities		104,603	63,658
Net assets		104,603	63,658

CHEMSTAR LIMITED
REGISTERED NUMBER: 02842128

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		104,503	63,558
		<u>104,603</u>	<u>63,658</u>

The directors consider 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 Companies Act 2006.

The directors acknowledge their 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 comprehensive income 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 on 29 April 2019.

Mr Shailendra Amin

Director

The notes on pages 4 to 11 form part of these financial statements.

CHEMSTAR LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2016	100	36,494	36,594
Comprehensive income for the year			
Profit for the year	-	80,064	80,064
	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	(53,000)	(53,000)
	<hr/>	<hr/>	<hr/>
At 1 August 2017	100	63,558	63,658
Comprehensive income for the year			
Profit for the year	-	95,945	95,945
	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	(55,000)	(55,000)
	<hr/>	<hr/>	<hr/>
At 31 July 2018	100	104,503	104,603

The notes on pages 4 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies

1.1 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies (continued)

1.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 August 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies (continued)

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the term of lease
Fixtures and fittings	- 25% reducing balance

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 comprehensive income.

1.7 Stocks

Stocks 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. Accounting policies (continued)**1.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2017 - 0).

3. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	23,025	19,467
	<u>23,025</u>	<u>19,467</u>
Total current tax	<u>23,025</u>	<u>19,467</u>
Deferred tax		
Origination and reversal of timing differences	767	(106)
	<u>767</u>	<u>(106)</u>
Total deferred tax	<u>767</u>	<u>(106)</u>
Taxation on profit on ordinary activities	<u>23,792</u>	<u>19,361</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

3. Taxation (continued)**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2017 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

4. Dividends

	2018 £	2017 £
Dividends paid	55,000	53,000
	<u>55,000</u>	<u>53,000</u>

5. Intangible assets

	Goodwill £
Cost	
At 1 August 2017	244,999
At 31 July 2018	<u>244,999</u>
Amortisation	
At 1 August 2017	244,998
At 31 July 2018	<u>244,998</u>
Net book value	
At 31 July 2018	<u>1</u>
At 31 July 2017	<u>1</u>

CHEMSTAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

6. Tangible fixed assets

	Leasehold properties £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 August 2017	17,497	8,518	26,015
Additions	-	4,583	4,583
At 31 July 2018	17,497	13,101	30,598
Depreciation			
At 1 August 2017	10,806	7,081	17,887
Charge for the year on owned assets	1,338	903	2,241
At 31 July 2018	12,144	7,984	20,128
Net book value			
At 31 July 2018	5,353	5,117	10,470
<i>At 31 July 2017</i>	6,691	1,436	8,127

7. Stocks

	2018 £	2017 £
Finished goods and goods for resale	120,527	136,696
	120,527	136,696

CHEMSTAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

8. Debtors

	2018 £	2017 £
Trade debtors	40,775	22,714
Other debtors	9,600	9,600
VAT repayable	43,521	44,662
Section 458 tax repayable	14,772	10,692
Deferred taxation	(662)	105
Directors' loan account	55,322	34,845
Prepayments and accrued income	4,742	5,861
	<u>168,070</u>	<u>128,479</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	63,207	71,244
Less: bank overdrafts	(35,712)	(49,566)
	<u>27,495</u>	<u>21,678</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	35,712	49,566
Trade creditors	193,198	196,529
Corporation tax	27,105	19,467
Other taxation and social security	1,257	7,428
Wages and salaries	400	7,898
	<u>257,672</u>	<u>280,888</u>

CHEMSTAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

11. Deferred taxation

	2018 £
At beginning of year	105
Charged to profit or loss	(767)
At end of year	(662)

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(662)	105
	<u>(662)</u>	<u>105</u>

12. Controlling party

The company was under the control of the directors Mr Shailendra Amin (60 Ordinary shares) and Miss Simal Amin (40 Ordinary shares), by virtue of the fact that between them they own 100% of the issued share capital.