Company Registration No. 05773636 (England and Wales)

# CLNS LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2015

## PAGES FOR FILING WITH REGISTRAR

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | K Potter<br>J B Potter |
| **Secretary** | J B Potter |
| **Company number** | 05773636 |
| **Registered office** | Cavendish Lodge Nursery School<br>52 Lewin Road<br>Streatham Common<br>London<br>SW16 6JT |
| **Accountants** | Clarkson Hyde LLP<br>3rd Floor<br>Chancery House<br>St Nicholas Way<br>Sutton<br>Surrey<br>SM1 1JB |

## CONTENTS

CLNS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

| | Notes | 2015 £ | 2015 £ | 2014 as restated £ | 2014 as restated £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 2 | | 266,601 | | 288,762 |
| **Current assets** | | | | | |
| Stocks | | 5,580 | | 5,580 | |
| Debtors | 3 | 1,097,382 | | 1,112,222 | |
| Cash at bank and in hand | | 428,711 | | 311,184 | |
| | | 1,531,673 | | 1,428,986 | |
| **Creditors: amounts falling due within one year** | 4 | (774,867) | | (726,224) | |
| **Net current assets** | | | 756,806 | | 702,762 |
| **Total assets less current liabilities** | | | 1,023,407 | | 991,524 |
| **Creditors: amounts falling due after more than one year** | 5 | | (7,200) | | (7,200) |
| **Provisions for liabilities** | | | (21,527) | | (21,527) |
| **Net assets** | | | 994,680 | | 962,797 |
| **Capital and reserves** | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Profit and loss reserves | | | 994,678 | | 962,795 |
| **Total equity** | | | 994,680 | | 962,797 |

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

For the financial year ended 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the board of directors and authorised for issue on 23 December 2016 and are signed on its behalf by:

K Potter
**Director**

**Company Registration No. 05773636**

## 1 Accounting policies

**Company information**

CLNS Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cavendish Lodge Nursery School, 52 Lewin Road, Streatham Common, London, SW16 6JT.

### 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.

These financial statements for the year ended 31 December 2015 are the first financial statements of CLNS Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

### 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 1.3 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:

| | |
|---|---|
| Freehold land and buildings | Nil |
| Fixtures and fittings | 20% straight line |
| Motor vehicles | 20% straight line |

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 Accounting policies** **(Continued)**

**1.4 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.5 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.6 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.

**1.7 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.

## 1 Accounting policies (Continued)

*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.

*Other financial assets*
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

*Impairment of financial assets*
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

*Derecognition of financial assets*
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

*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 receipts 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 Accounting policies** ***(Continued)***

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.8 Equity instruments**

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

**1.9 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.

***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.

**1.10 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.

**1.11 Retirement benefits**

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

## 2 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 January 2015 | 196,427 | 627,665 | 824,092 |
| Additions | - | 36,034 | 36,034 |
| At 31 December 2015 | 196,427 | 663,699 | 860,126 |
| **Depreciation and impairment** | | | |
| At 1 January 2015 | - | 535,330 | 535,330 |
| Depreciation charged in the year | - | 58,195 | 58,195 |
| At 31 December 2015 | - | 593,525 | 593,525 |
| **Carrying amount** | | | |
| At 31 December 2015 | 196,427 | 70,174 | 266,601 |
| At 31 December 2014 | 196,427 | 92,335 | 288,762 |

## 3 Debtors

| | 2015 | 2014 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 12,609 | - |
| Other debtors | 1,084,773 | 1,112,222 |
| | 1,097,382 | 1,112,222 |

## 4 Creditors: amounts falling due within one year

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Trade creditors | - | 14,980 |
| Corporation tax | 394,125 | 302,845 |
| Other taxation and social security | - | 19,491 |
| Other creditors | 380,742 | 388,908 |
| | 774,867 | 726,224 |

## 5 Creditors: amounts falling due after more than one year

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Other creditors | 7,200 | 7,200 |

## 6 Provisions for liabilities

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Deferred tax liabilities | 21,527 | 21,527 |
| | 21,527 | 21,527 |

## 7 Deferred income

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Other deferred income | 174,417 | 128,382 |

## 8 Called up share capital

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 2 Ordinary shares of £1 each | 2 | 2 |

## 9 Related party transactions

No guarantees have been given or received.

The entity is controlled equally by the two directors Kevin and Jodie Potter.

During the year the company paid rent to the directors of £112,124 (2014: £112,598).

Included within other debtors is an amount £836,792 (2014: £814,983) due from the directors.

## 10 Prior period adjustment

**Changes to the balance sheet**

| | At 31 December 2014 | | |
|---|---|---|---|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| **Fixed assets** | | | |
| Tangible assets | 931,343 | (642,581) | 288,762 |
| **Current assets** | | | |
| Debtors due within one year | (90,142) | 1,202,364 | 1,112,222 |
| Bank and cash | 32,441 | (32,441) | - |
| **Creditors due within one year** | | | |
| Taxation | (118,590) | (203,746) | (322,336) |
| Other creditors | (43,980) | (231,526) | (275,506) |
| Deferred income | - | (128,382) | (128,382) |
| Net assets | 687,925 | (36,312) | 651,613 |

## 10 Prior period adjustment (Continued)

| | At 31 December 2014 | | |
|---|---|---|---|
| | *As previously reported* | *Adjustment* | *As restated* |
| | £ | £ | £ |
| **Capital and reserves** | | | |
| Profit and loss | 999,107 | (36,312) | 962,795 |

**Changes to the profit and loss account**

| | Period ended 31 December 2014 | | |
|---|---|---|---|
| | *As previously reported* | *Adjustment* | *As restated* |
| | £ | £ | £ |
| Turnover | 2,212,650 | (45,933) | 2,166,717 |
| Administrative expenses | (1,684,339) | 91,000 | (1,593,339) |
| Profit for the financial period | 264,677 | 45,067 | 309,744 |

The accounts have been restated for the following errors:

- Fixed assets have previously been shown as company expenditure that was correctly expenditure of the landlords of the properties. A total of £816,440 has been removed from the cost figure within fixed assets as at 31 December 2014.
- Depreciation has been incorrectly stated and has not been calculated in line with the accounting policies. Including the amounts previously calculated on the assets now removed from the cost figure, the accumulated depreciation has been reduced by £173,859 as at 31 December 2014.
- Accrued income has not previously been accounted for. The accumulated adjustment as at 31 December 2014 was £29,067 and the debtors figure has been increased to reflect this.
- Refundable customer deposits have not previously been accounted for. The accumulated adjustment as at 31 December 2014 was £154,161 and the creditors figure has been increased to reflect this.
- Staff wages have previously been reported in incorrect periods. As at 31 December 2014, the company should have reflected an amount payable of £77,365 and creditors have been increased to reflect this.
- Deferred income has not previously been accounted for. The accumulated adjustment as at 31 December 2014 was £128,382 and creditors have been increased to reflect this.
- Private expenditure of the directors has previously been charged to the profit and loss account. The accumulated figure as at 31 December 2014 was £153,112 and these have been debited to a loan account to reflect this.
- Cash at bank has previously been overstated. An adjustment for £32,441 has been made to correct this.
- S455 tax of £203,746 has been provided for based on the revisions to the directors loan accounts as stated above.