

Company registration number: **12345678**

Demo Micro-entity (FRS 105) Limited
UNAUDITED FINANCIAL STATEMENTS
for the year ended 31 December 2016

Rachel Smith, Chartered Accountant and Bookkeeper

4 Accounting Street, Manchester, M1 5XT, United Kingdom

Demo Micro-entity (FRS 105) Limited

Unaudited Financial Statements

Year ended 31 December 2016

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Demo Micro-entity (FRS 105) Limited

Officers and Professional Advisers

Year ended 31 December 2016

Directors	Mrs Joan Micro Mr Bill Micro
Registered office	16 Micro Street Manchester M23 5TG United Kingdom
Accountant	Rachel Smith Chartered Accountant and Bookkeeper 4 Accounting Street Manchester M1 5XT United Kingdom
Bank	Micro Bank 32 Bank Street Manchester M1 9PT United Kingdom

Demo Micro-entity (FRS 105) Limited

Directors Report

Year ended 31 December 2016

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2016.

DIRECTORS

The directors who served the company during the year were as follows:

Mrs Joan Micro

Mr Bill Micro

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 20 July 2016 and signed on behalf of the board by:

Mrs Joan Micro

Director

Mr Bill Micro

Director

Demo Micro-entity (FRS 105) Limited

Accountant's Report

Year ended 31 December 2016

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF DEMO MICRO-ENTITY (FRS 105) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016

In order to assist you to fulfil your duties under the Companies Act 2006, I have prepared for your approval the financial statements of Demo Micro-entity (FRS 105) Limited for the year ended 31 December 2016 which comprise the income statement and statement of financial position from the company's accounting records and from information and explanations you have given me.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), I am subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the Board of Directors of Demo Micro-entity (FRS 105) Limited, as a body. My work has been undertaken solely to prepare for your approval the financial statements of Demo Micro-entity (FRS 105) Limited and state those matters that I have agreed to state to the Board of Directors of Demo Micro-entity (FRS 105) Limited, as a body, in this report in accordance with the ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Demo Micro-entity (FRS 105) Limited and its Board of Directors, as a body, for my work or for this report.

It is your duty to ensure that Demo Micro-entity (FRS 105) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Demo Micro-entity (FRS 105) Limited. You consider that Demo Micro-entity (FRS 105) Limited is exempt from the statutory audit requirement for the year.

I have not been instructed to carry out an audit or a review of the financial statements of Demo Micro-entity (FRS 105) Limited. For this reason, I have not verified the accuracy or completeness of the accounting records or information and explanations you have given to me and I do not, therefore, express any opinion on the statutory financial statements.

Rachel Smith

Chartered Accountant and Bookkeeper

4 Accounting Street
Manchester
M1 5XT
United Kingdom

Date: 20 July 2016

Demo Micro-entity (FRS 105) Limited

Income Statement

Year ended 31 December 2016

	2016	2015
	£	as restated £
Turnover	422,560	383,200
Other income	1,000	-
	<hr/>	<hr/>
	423,560	383,200
Cost of raw materials and consumables	(102,740)	(109,600)
Staff costs	(134,270)	(97,310)
Depreciation and other amounts written off assets	(6,100)	(6,450)
Other charges	(41,110)	(41,422)
Tax	(1,500)	(100)
Profit	<hr/> <hr/>	<hr/> <hr/>
	137,840	128,318

Demo Micro-entity (FRS 105) Limited

Statement of Financial Position

31 December 2016

	2016	2015
	£	as restated £
Fixed assets	217,150	222,350
Current assets	261,384	176,878
Prepayments and accrued income	1,000	500
Creditors: amounts falling due within one year	(240,676)	(194,750)
Net current assets/(liabilities)	21,708	(17,372)
Total assets less current liabilities	238,858	204,978
Creditors: amounts falling due after more than one year	-	(200)
Provision for liabilities	-	1,260
Accruals and deferred income	-	(1,500)
Net assets	238,858	204,538
Capital and reserves	238,858	204,538

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is 16 Micro Street, Manchester, M23 5TG, United Kingdom.

2 Guarantees and other financial commitments

As a result of legal proceedings the company may be liable to costs in relation to these proceedings for which there is no accurate quantification due to inherent uncertainties in the case against the company available at the moment. It is not expected that any liability will exceed £100,000 in total.

The company had total capital commitments contracted but not provided for in the financial statements of £8,000.

3 Directors advances, credit and guarantees

During the year, the company granted credit of £500 to Mr B Micro, a director of the company. The credit was for goods purchased for personal use. The credit amount is interest free and will be repaid within 2 months.

Demo Micro-entity (FRS 105) Limited

Statement of Financial Position (continued)

31 December 2016

4 Transition to FRS 105

These are the first financial statements that comply with FRS 105. The company transitioned to FRS 105 as at 1 January 2015.

This has affected the previously reported financial position and financial performance as follows:

	At 1 January 2015	At 31 December 2015
	£	£
Reconciliation of equity		
Capital and reserves (as previously stated)	91,120	205,798
Deferred tax provision removed	-	(1,260)
Capital and reserves (as restated)	<u>91,120</u>	<u>204,538</u>
		2015
		£
Reconciliation of profit for the year		
Profit for the year (as previously stated)		127,618
Deferred tax charge reversed		700
Profit for the year (as restated)		<u>128,318</u>

Deferred tax is not recognised under FRS 105.

For the year ending 31 December 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

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

These financial statements have been prepared in accordance with the micro-entity provisions.

Demo Micro-entity (FRS 105) Limited

Statement of Financial Position (continued)

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 20 July 2016, and are signed on behalf of the board by:

Mrs Joan Micro
Director

Mr Bill Micro
Director

Company registration number: 12345678

Demo Micro-entity (FRS 105) Limited

Detailed Income Statement

Year ended 31 December 2016

	2016	2015
	£	as restated £
Turnover	422,560	383,200
Other income	1,000	-
	<u>423,560</u>	<u>383,200</u>
Cost of raw materials and consumables	(102,740)	(109,600)
Staff costs	(134,270)	(97,310)
Depreciation and other amounts written off assets	(6,100)	(6,450)
Other charges	(41,110)	(41,422)
Tax	(1,500)	(100)
Profit	<u>137,840</u>	<u>128,318</u>

TURNOVER

	2016	2015
	£	£
Sales	<u>422,560</u>	<u>383,200</u>

OTHER INCOME

	2016	2015
	£	£
Commission receivable	<u>1,000</u>	<u>-</u>

COST OF RAW MATERIALS AND CONSUMABLES

	2016	2015
	£	£
Purchases	<u>102,740</u>	<u>109,600</u>

Demo Micro-entity (FRS 105) Limited

Detailed Income Statement (continued)

Year ended 31 December 2016

STAFF COSTS

	2016	2015
	£	£
Cost of sales		
Wages and salaries	50,000	20,000
Employers NI	1,200	1,060
	<u>51,200</u>	<u>21,060</u>

	2016	2015
	£	£
Distribution costs		
Wages and salaries	25,000	20,000
Employers NI	3,070	1,250
	<u>28,070</u>	<u>21,250</u>

	2016	2015
	£	£
Administrative costs		
Directors remuneration	50,000	50,000
Directors pension costs	5,000	5,000
	<u>55,000</u>	<u>55,000</u>

<u>134,270</u>	<u>97,310</u>
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DEPRECIATION AND OTHER AMOUNTS WRITTEN OFF ASSETS

	2016	2015
	£	£
Administrative costs		
Depreciation of tangible assets	6,100	6,450
	<u>6,100</u>	<u>6,450</u>

Demo Micro-entity (FRS 105) Limited

Detailed Income Statement (continued)

Year ended 31 December 2016

OTHER CHARGES

	2016	2015
	£	£
Distribution costs		
Freight and carriage	1,890	1,502
	2016	2015
	£	£
Premises costs		
Rent	12,000	4,600
Rates	3,090	3,600
Light, heating and power	2,070	1,200
	<hr/>	<hr/>
	17,160	9,400
	2016	2015
	£	£
Motor expenses		
Motor expenses	1,450	500
	2016	2015
	£	£
Travelling and entertainment		
Travelling	500	700
Staff entertainment	700	-
	<hr/>	<hr/>
	1,200	700
	2016	2015
	£	£
Marketing and advertising		
Marketing	1,500	800
Advertising	-	500
	<hr/>	<hr/>
	1,500	1,300

Demo Micro-entity (FRS 105) Limited

Detailed Income Statement (continued)

Year ended 31 December 2016

	2016	2015
	£	£
Office costs		
Printing, postage and stationery	600	450
Telephone	1,060	800
Computer costs	-	2,000
Premises insurance	2,000	4,000
	<u>3,660</u>	<u>7,250</u>
	2016	2015
	£	£
Legal and professional		
Legal fees	650	3,020
Accountancy fees	3,000	2,000
	<u>3,650</u>	<u>5,020</u>
	2016	2015
	£	£
Repairs and maintenance		
Repairs and maintenance	800	7,000
Cleaning	400	-
	<u>1,200</u>	<u>7,000</u>
	2016	2015
	£	£
Finance charges		
Bank interest payable	3,650	3,250
Bank charges	100	500
	<u>3,750</u>	<u>3,750</u>

Demo Micro-entity (FRS 105) Limited

Detailed Income Statement (continued)

Year ended 31 December 2016

	2016	2015
	£	£
General expenses		
General insurance	5,600	5,000
Loss on disposal of tangible fixed assets	50	-
	<u>5,650</u>	<u>5,000</u>
	<u>41,110</u>	<u>41,422</u>
TAX		
	2016	2015
	£	£
Corporation tax	1,500	800
Deferred tax	-	(700)
	<u>1,500</u>	<u>100</u>