

Company Registration No. 03143511 (England and Wales)

SEW SYSTEMS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

SEW SYSTEMS LTD

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SEW SYSTEMS LTD

BALANCE SHEET

AS AT 30 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3		24,811		26,945
Tangible assets	4		10,928		14,335
			<u>35,739</u>		<u>41,280</u>
Current assets					
Stocks		104,897		122,366	
Debtors	5	356,417		400,131	
Cash at bank and in hand		400,684		199,916	
		<u>861,998</u>		<u>722,413</u>	
Creditors: amounts falling due within one year	6	(252,513)		(276,374)	
Net current assets			<u>609,485</u>		<u>446,039</u>
Total assets less current liabilities			<u>645,224</u>		<u>487,319</u>
Capital and reserves					
Called up share capital			99		99
Profit and loss reserves			645,125		487,220
Total equity			<u>645,224</u>		<u>487,319</u>

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 30 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 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 14 December 2020 and are signed on its behalf by:

E L Illingworth
Director

Company Registration No. 03143511

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2019

1 Accounting policies

Company information

Sew Systems Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 26 Mandervell Road, Oadby, Leicester, LE2 5LQ.

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.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

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.

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.

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

Patents & licences	5% Straight line
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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:

Plant and equipment	15% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% 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.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 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).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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 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 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.7 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.

Basic financial assets and liabilities

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded 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.

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

Impairment of financial assets

Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.8 Equity instruments

Equity instruments being the share capital 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.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2019

1 Accounting policies

(Continued)

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 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

The company operates a defined contribution scheme for the benefit of its employees and also contributes to the personal pension scheme of its directors. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2019

2 Employees

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

	2019 Number	2018 Number
Total	20	20

3 Intangible fixed assets

	Patents & licences £
Cost	
At 31 December 2018 and 30 December 2019	42,675
Amortisation and impairment	
At 31 December 2018	15,730
Amortisation charged for the year	2,134
At 30 December 2019	17,864
Carrying amount	
At 30 December 2019	24,811
At 30 December 2018	26,945

4 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 31 December 2018 and 30 December 2019	15,934	6,347	6,050	28,331
Depreciation and impairment				
At 31 December 2018	2,730	5,216	6,050	13,996
Depreciation charged in the year	2,390	1,017	-	3,407
At 30 December 2019	5,120	6,233	6,050	17,403
Carrying amount				
At 30 December 2019	10,814	114	-	10,928
At 30 December 2018	13,204	1,131	-	14,335

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2019

5 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	311,829	348,250
Corporation tax recoverable	1,143	1,143
Amounts owed by group undertakings	38,461	38,461
Other debtors	820	5,645
Prepayments and accrued income	4,164	6,632
	<u>356,417</u>	<u>400,131</u>
	<u><u>356,417</u></u>	<u><u>400,131</u></u>

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	159,872	177,589
Corporation tax	8,423	-
Other taxation and social security	14,878	13,926
Other creditors	59,872	77,855
Accruals and deferred income	9,468	7,004
	<u>252,513</u>	<u>276,374</u>
	<u><u>252,513</u></u>	<u><u>276,374</u></u>

7 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:

2019	2018
£	£
115,208	159,375
<u>115,208</u>	<u>159,375</u>
<u><u>115,208</u></u>	<u><u>159,375</u></u>

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2019

8 Related party transactions

100% of the company's share capital is owned by Met-Parts Engineering Limited. During the year, machine rental charges of £10,000 (2018: £4,800) were made from Met-Parts Engineering Limited and dividends amounting to £18,000 (2018: £20,000) were paid to Met-Parts Engineering Limited. Included within debtors at 30 December 2019 is an amount due from Met-Parts Engineering Limited of £38,461 (2018 - £38,461). No interest is charged on the loan.

Sparbaruk Limited is a fellow subsidiary of Met-Parts Engineering Limited. Included within debtors at 30 December 2019 is an amount due to Sparbaruk Limited of £nil (2018 - £nil). No interest was charged on the loan.

Mr A D Turner, a director of the company is also a director of A D Turner Limited. A D Turner Limited was dissolved on 11 April 2018 with an amount of £74,001 due from Sew Systems Limited. This loan amount has been transferred to A D Turner a director of the company. Included within other creditors at 30 December 2019 is an amount due to A D Turner Limited of £nil (2018 - £nil) and an amount due to A D Turner of £55,501 (2018 - £74,001).

9 Parent company

The company is controlled by its parent company, Met-Parts Engineering Limited. The registered office address of Met-Parts Engineering Ltd is 26 Mandervell Road, Oadby, Leicester, LE2 5LQ.

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.