

Company Registration No. 03143511 (England and Wales)

SEW SYSTEMS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2017
PAGES FOR FILING WITH REGISTRAR

SEW SYSTEMS LTD

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

SEW SYSTEMS LTD

BALANCE SHEET

AS AT 30 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	3		29,079		31,213
Tangible assets	4		5,401		30,940
Current assets					
Stocks		94,402		51,999	
Debtors	5	235,891		322,648	
Cash at bank and in hand		241,106		127,494	
		<u>571,399</u>		<u>502,141</u>	
Creditors: amounts falling due within one year	6	<u>(230,371)</u>		<u>(331,750)</u>	
Net current assets			<u>341,028</u>		<u>170,391</u>
Total assets less current liabilities			<u>375,508</u>		<u>232,544</u>
Creditors: amounts falling due after more than one year	7		-		(3,333)
Net assets			<u><u>375,508</u></u>		<u><u>229,211</u></u>
Capital and reserves					
Called up share capital	8		99		99
Profit and loss reserves			<u>375,409</u>		<u>229,112</u>
Total equity			<u><u>375,508</u></u>		<u><u>229,211</u></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 2017 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.

SEW SYSTEMS LTD

BALANCE SHEET (CONTINUED)

AS AT 30 DECEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 17 September 2018 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 2017

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, modified to include certain financial instruments at fair value. 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 cost or 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 2017

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 Cash and cash equivalents

Cash at bank and in hand 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.

1.8 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.

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.

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.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2017

1 Accounting policies

(Continued)

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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 at transaction price.

1.9 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.

1.10 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.12 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.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2017

1 Accounting policies

(Continued)

1.14 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2016 - 51).

3 Intangible fixed assets

	Other £
Cost	
At 31 December 2016 and 30 December 2017	42,675
Amortisation and impairment	
At 31 December 2016	11,462
Amortisation charged for the year	2,134
At 30 December 2017	13,596
Carrying amount	
At 30 December 2017	29,079
At 30 December 2016	31,213

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2017

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 31 December 2016	53,183
Additions	5,362
Disposals	(40,000)
At 30 December 2017	18,545
Depreciation and impairment	
At 31 December 2016	22,243
Depreciation charged in the year	2,901
Eliminated in respect of disposals	(12,000)
At 30 December 2017	13,144
Carrying amount	
At 30 December 2017	5,401
At 30 December 2016	30,940

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	179,709	218,288
Amounts owed by group undertakings	40,120	89,400
Other debtors	16,062	14,960
	235,891	322,648

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Obligations under finance leases	3,333	13,333
Trade creditors	121,800	152,834
Corporation tax	1,347	24,351
Other taxation and social security	20,383	24,066
Other creditors	77,851	109,456
Accruals and deferred income	5,657	7,710
	230,371	331,750

Obligations under hire purchase leases are secured on the assets concerned.

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2017

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases	-	3,333

Obligations under hire purchase leases are secured on the assets concerned.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
99 Ordinary of £1 each	99	99

9 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:

	2017 £	2016 £
	196,875	234,375

10 Related party transactions

100% of the company's share capital is owned by Met-Parts Engineering Limited. Purchases of £Nil and machine rental charges of £4,800 (2016 - Purchases £Nil, machine rental charges £4,800) were made from this company. Included within debtors at 30 December 2017 is an amount due from this company of £38,461 (2016 - £36,018). During the year a dividend of £25,000 (2016: £31,000) was paid to Met-Parts Engineering Limited.

Sparbaruk Limited is a fellow subsidiary of Met-Parts Engineering Limited. During the year Sew Systems Limited invoiced sales of £41,189 (2016- £143,134) to Sparbaruk Limited. At 30 December 2017 £1,659 (2016 - £53,383) was owed by Sparbaruk Limited to Sew Systems Limited.

Transactions also took place with A D Turner Limited during the year. This company is related due to Mr A D Turner being a director of both companies. Included within other creditors at 30 December 2017 is an amount due to this company of £74,001 (2016 - £109,001).

SEW SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2017

11 Directors' transactions

At the year end the director M Ellison owed the company £Nil (2016: £Nil).

At the year end the director N Turner owed the company £Nil (2016: £105). This was repaid after the year end.

12 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.