

Company Registration No. 03143511 (England and Wales)

**SEW SYSTEMS LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

**SEW SYSTEMS LTD**

**CONTENTS**

---

	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

---

# SEW SYSTEMS LTD

## BALANCE SHEET

AS AT 30 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	4		20,543		22,677
Tangible assets	5		29,169		13,292
			<u>49,712</u>		<u>35,969</u>
<b>Current assets</b>					
Stocks		118,986		90,146	
Debtors	6	876,202		386,270	
Cash at bank and in hand		321,662		539,764	
		<u>1,316,850</u>		<u>1,016,180</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(401,767)</u>		<u>(222,672)</u>	
<b>Net current assets</b>			<u>915,083</u>		<u>793,508</u>
<b>Total assets less current liabilities</b>			<u>964,795</u>		<u>829,477</u>
<b>Creditors: amounts falling due after more than one year</b>	8		<u>(42,547)</u>		<u>(50,000)</u>
<b>Net assets</b>			<u><u>922,248</u></u>		<u><u>779,477</u></u>
<b>Capital and reserves</b>					
Called up share capital			99		99
Profit and loss reserves			<u>922,149</u>		<u>779,378</u>
<b>Total equity</b>			<u><u>922,248</u></u>		<u><u>779,477</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 2021 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 2021***

---

The financial statements were approved by the board of directors and authorised for issue on 29 September 2022 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 2021**

---

### **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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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
--------------------	------------------

#### **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 2021

### 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.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# SEW SYSTEMS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **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 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.13 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 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Employees

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

	2021 Number	2020 Number
Total	24	24

### 4 Intangible fixed assets

	Patents & licences £
<b>Cost</b>	
At 31 December 2020 and 30 December 2021	42,675
<b>Amortisation and impairment</b>	
At 31 December 2020	19,998
Amortisation charged for the year	2,134
At 30 December 2021	22,132
<b>Carrying amount</b>	
At 30 December 2021	20,543
At 30 December 2020	22,677



# SEW SYSTEMS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

### 5 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 31 December 2020	15,934	12,838	6,050	34,822
Additions	2,580	597	22,999	26,176
Disposals	-	-	(6,050)	(6,050)
At 30 December 2021	18,514	13,435	22,999	54,948
<b>Depreciation and impairment</b>				
At 31 December 2020	7,510	7,970	6,050	21,530
Depreciation charged in the year	2,777	1,772	5,750	10,299
Eliminated in respect of disposals	-	-	(6,050)	(6,050)
At 30 December 2021	10,287	9,742	5,750	25,779
<b>Carrying amount</b>				
At 30 December 2021	8,227	3,693	17,249	29,169
At 30 December 2020	8,424	4,868	-	13,292

### 6 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	781,511	337,092
Corporation tax recoverable	-	1,143
Amounts owed by group undertakings	46,461	44,461
Other debtors	48,005	3,349
Prepayments and accrued income	225	225
	876,202	386,270

### 7 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	6,240	-
Trade creditors	289,148	110,613
Corporation tax	32,636	22,075
Other taxation and social security	18,448	34,987
Other creditors	47,076	48,086
Accruals and deferred income	8,219	6,911
	401,767	222,672

## SEW SYSTEMS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

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

	2021 £	2020 £
Bank loans and overdrafts	42,547	50,000

#### 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:

	2021 £	2020 £
	53,125	84,375

#### 10 Related party transactions

100% of the company's share capital is owned by Met-Parts Engineering Limited. During the year, machine rental charges of £24,000 (2020: £24,000) were made from Met-Parts Engineering Limited and dividends amounting to £79,000 (2020: £nil) were paid to Met-Parts Engineering Limited. Included within debtors at 30 December 2021 is an amount due from Met-Parts Engineering Limited of £46,461 (2020 - £44,461). No interest is charged on the loan.

Sparbaruk Limited is a fellow subsidiary of Met-Parts Engineering Limited. Included within debtors at 30 December 2021 is an amount due to Sparbaruk Limited of £nil (2020 - £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 2021 is an amount due to A D Turner Limited of £nil (2020 - £nil) and an amount due to A D Turner of £27,817 (2020 - £44,501).

#### 11 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.