COMPANY REGISTRATION NUMBER: 03522079

# BEARINGS & DRIVES LIMITED

# Filleted Unaudited Financial Statements

## 31 May 2017

# BEARINGS & DRIVES LIMITED

**Financial Statements**

**Year ended 31 May 2017**

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# BEARINGS & DRIVES LIMITED

## Statement of Financial Position

## 31 May 2017

| | Note | 2017 £ | 2017 £ | 2016 £ |
|---|---|---|---|---|
| **Fixed assets** | | | | |
| Intangible assets | 5 | | – | 1,600 |
| Tangible assets | 6 | | 52,812 | 45,284 |
| Investments | 7 | | 3,000 | 3,000 |
| | | | 55,812 | 49,884 |
| **Current assets** | | | | |
| Stocks | | 287,077 | | 265,677 |
| Debtors | 8 | 420,359 | | 420,963 |
| | | 707,436 | | 686,640 |
| **Creditors: amounts falling due within one year** | 9 | ( 447,709) | | ( 478,786) |
| **Net current assets** | | | 259,727 | 207,854 |
| **Total assets less current liabilities** | | | 315,539 | 257,738 |
| **Creditors: amounts falling due after more than one year** | 10 | | ( 12,356) | – |
| **Provisions** | | | | |
| Taxation including deferred tax | | | ( 10,035) | ( 8,882) |
| **Net assets** | | | 293,148 | 248,856 |
| **Capital and reserves** | | | | |
| Called up share capital | | | 1,000 | 1,000 |
| Profit and loss account | | | 292,148 | 247,856 |
| **Shareholders funds** | | | 293,148 | 248,856 |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 May 2017 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 .

# BEARINGS & DRIVES LIMITED

## Statement of Financial Position *(continued)*

## 31 May 2017

These financial statements were approved by the board of directors and authorised for issue on 21 February 2018 , and are signed on behalf of the board by:

Mr Simpson

Director

Company registration number: 03522079

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is C/o DPC Chartered Accountants, Vernon Road, Stoke on Trent, Staffordshire, ST4 2QY.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

**Basis of preparation**

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 June 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As described in the accounting policies of the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate.Revisions take in to account actual asset lives and residual values as evidenced by disposals during current and prior accounting periods.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**Corporation tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | | |
|---|---|---|
| Goodwill | - | 10 years amortisation |

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| Fixtures and fittings | - | 25% reducing balance |
| Motor Vehicles | - | 25% reducing balance |

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**4. Employee numbers**

The average number of persons employed by the company during the year amounted to 10 (2016: 10 ).

**5. Intangible assets**

| | Goodwill |
|---|---|
| | £ |
| **Cost** | |
| **At 1 June 2016 and 31 May 2017** | **13,000** |
| **Amortisation** | |
| At 1 June 2016 | **11,400** |
| Charge for the year | **1,600** |
| **At 31 May 2017** | **13,000** |
| **Carrying amount** | |
| **At 31 May 2017** | **–** |
| At 31 May 2016 | 1,600 |

**6. Tangible assets**

| | Fixtures and fittings | Motor vehicles | Total |
|---|---|---|---|
| | £ | £ | **£** |
| **Cost** | | | |
| At 1 June 2016 | 88,415 | 25,505 | **113,920** |
| Additions | 3,566 | 30,728 | **34,294** |
| Disposals | – | ( 25,505) | **( 25,505)** |
| **At 31 May 2017** | 91,981 | 30,728 | **122,709** |
| **Depreciation** | | | |
| At 1 June 2016 | 51,201 | 17,435 | **68,636** |
| Charge for the year | 11,014 | 7,682 | **18,696** |
| Disposals | – | ( 17,435) | **( 17,435)** |
| **At 31 May 2017** | 62,215 | 7,682 | **69,897** |
| **Carrying amount** | | | |
| **At 31 May 2017** | 29,766 | 23,046 | **52,812** |
| At 31 May 2016 | 37,214 | 8,070 | 45,284 |

**7. Investments**

| | Other loans |
|---|---|
| | £ |
| **Cost** | |
| **At 1 June 2016 and 31 May 2017** | **3,000** |
| **Impairment** | |
| **At 1 June 2016 and 31 May 2017** | **–** |
| **Carrying amount** | |
| **At 31 May 2017** | **3,000** |
| At 31 May 2016 | 3,000 |

**8. Debtors**

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Trade debtors | **402,009** | 401,343 |
| Other debtors | **18,350** | 19,620 |
| | **420,359** | 420,963 |

**9. Creditors: amounts falling due within one year**

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | **12,127** | 55,481 |
| Trade creditors | **219,307** | 233,466 |
| Corporation tax | **89,479** | 87,967 |
| Social security and other taxes | **55,759** | 47,629 |
| Conpany credit card | **2,169** | 3,597 |
| Other creditors | **68,868** | 50,646 |
| | **447,709** | 478,786 |

**10. Creditors: amounts falling due after more than one year**

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Other creditors | **12,356** | – |

**11. Related party transactions**

All transactions undertaken with the directors are deemed to be conducted under normal market conditions and/or are not material.

**12. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 June 2015.

No transitional adjustments were required in equity or profit or loss for the year.

**13. Post balance sheet events**

There was no material events up to the date of approval of the financial statements by the board.