

**Registrar**

**Company registration number: 05292497**

**Hi-Gear Limited**

**Unaudited filleted financial statements**

**31 March 2019**

# **Hi-Gear Limited**

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# Hi-Gear Limited

## Statement of financial position

31 March 2019

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	5	90,000		105,000	
Tangible assets	6	902,914		867,842	
		<u>          </u>		<u>          </u>	
			992,914		972,842
<b>Current assets</b>					
Stocks		19,135		26,242	
Debtors	7	96,972		100,182	
Cash at bank and in hand		12,053		17,481	
		<u>          </u>		<u>          </u>	
		128,160		143,905	
<b>Creditors: amounts falling due within one year</b>	8	( 518,607)		( 546,047)	
		<u>          </u>		<u>          </u>	
<b>Net current liabilities</b>			( 390,447)		( 402,142)
			<u>          </u>		<u>          </u>
<b>Total assets less current liabilities</b>			602,467		570,700
<b>Creditors: amounts falling due after more than one year</b>	9		( 116,788)		( 60,510)
			<u>          </u>		<u>          </u>
<b>Net assets</b>			485,679		510,190
			<u>          </u>		<u>          </u>
<b>Capital and reserves</b>					
Called up share capital	10	170,000		170,000	
Revaluation reserve		384,551		384,551	
Profit and loss account		( 68,872)		( 44,361)	
		<u>          </u>		<u>          </u>	
<b>Shareholders funds</b>			485,679		510,190
			<u>          </u>		<u>          </u>

For the year ending 31 March 2019 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 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.

These financial statements were approved by the board of directors and authorised for issue on 09 September 2019 , and are signed on behalf of the board by:

Mr I C Ralston Mrs S E Ralston

Director Director

Company registration number: 05292497

## **Hi-Gear Limited**

### **Notes to the financial statements**

**Year ended 31 March 2019**

#### **1. General information**

The company is a private company limited by shares, incorporated in England and Wales. The address of the registered office and business address is 70 Commercial Square, Freemans Common, Leicestershire, LE2 7SR.

#### **2. Statement of compliance**

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

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity and have been rounded to the nearest £1.

##### **Going concern**

The company's balance sheet shows an adverse position at the year end of £68,872. The other creditors includes £337,444 which relates to amounts payable to the ultimate parent company, Ralston Holdings Limited (incorporated in England and Wales). The directors do not expect repayment until such time as the company has sufficient funds available to make the repayments without adversely affecting the company's ability to continue to trade. For this reason the directors believe that the company will continue to trade for the foreseeable future and therefore, the financial statements have been prepared on a going concern basis.

##### **Turnover**

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.

## **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, 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.

## **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

## **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	- 20 years
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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 are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Long leasehold property	-	Not depreciated
Fittings, fixtures and equipment	-	15 % reducing balance
Motor vehicles	-	25 % straight line

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

## Impairment

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. 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 are 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 stocks to their present location and condition.

## Hire purchase and finance leases

Assets held under finance leases 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.

## Debtors and creditors due within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.



## 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 in finance costs in profit or loss in the period in which it arises.

## Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

## 4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2018: 9 ).

## 5. Intangible assets

	Goodwill £	Total £
<b>Cost</b>		
<b>At 1 April 2018 and 31 March 2019</b>	300,000	300,000
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 April 2018	195,000	195,000
Charge for the year	15,000	15,000
	<hr/>	<hr/>
<b>At 31 March 2019</b>	210,000	210,000
	<hr/>	<hr/>
<b>Carrying amount</b>		
<b>At 31 March 2019</b>	90,000	90,000
	<hr/>	<hr/>
At 31 March 2018	105,000	105,000
	<hr/>	<hr/>

## 6. Tangible assets

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2018	74,000	1,288,118	150,553	1,512,671
Additions	-	193,865	34,755	228,620
Disposals	-	( 29,900)	-	( 29,900)
<b>At 31 March 2019</b>	<b>74,000</b>	<b>1,452,083</b>	<b>185,308</b>	<b>1,711,391</b>
<b>Depreciation</b>				
At 1 April 2018	-	554,318	90,511	644,829
Charge for the year	-	135,916	36,030	171,946
Disposals	-	( 8,298)	-	( 8,298)
<b>At 31 March 2019</b>	<b>-</b>	<b>681,936</b>	<b>126,541</b>	<b>808,477</b>
<b>Carrying amount</b>				
<b>At 31 March 2019</b>	<b>74,000</b>	<b>770,147</b>	<b>58,767</b>	<b>902,914</b>
At 31 March 2018	74,000	733,800	60,042	867,842

### Tangible assets held at valuation

The plant, fixtures and equipment were revalued by the Directors on 31st March 2014 at a value of £797,487, a value which they consider to be the market value at that date.

## 7. Debtors

	2019 £	2018 £
Trade debtors	64,961	68,942
Prepayments and accrued income	29,046	28,525
Other debtors	2,965	2,715
	<b>96,972</b>	<b>100,182</b>

## 8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	16,192	22,463
Trade creditors	56,268	46,594
Amounts owed to group undertakings	337,444	366,107
Accruals and deferred income	7,040	6,669
Social security and other taxes	18,135	8,072
Other creditors	83,528	96,142
	<u>518,607</u>	<u>546,047</u>

Included within creditors are hire purchase liabilities totalling £83,172 (2018: £96,038) which are secured on various assets of the company. Also included is a bank overdraft of £16,192 (2018: £22,463) which is unsecured.

## 9. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	116,788	60,510
	<u>116,788</u>	<u>60,510</u>

Included within creditors are hire purchase liabilities of £116,788 (2018: £60,510) which are secured on various assets of the company.

## 10. Called up share capital

### Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares of £ 1.00 each	170,000	170,000	170,000	170,000
	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>

## 11. Operating leases

### The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	1,343	1,595
Later than 1 year and not later than 5 years	1,008	2,351
	<hr/> 2,351	<hr/> 3,946
	<hr/>	<hr/>

## 12. Controlling party

The company is a wholly owned subsidiary of Ralston Holdings Limited , a company incorporated in England and Wales. The registered office of Ralston Holdings Limited is 70 Commercial Square, Freemans Common, Leicester, Leicestershire, LE2 7SR.

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.