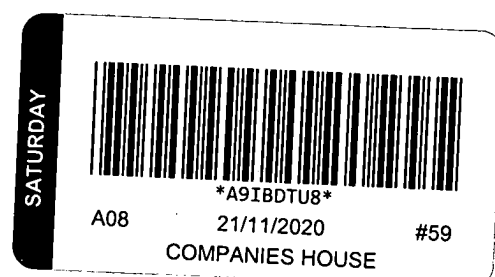


**Renown Gears Limited**  
**Filleted Unaudited Financial Statements**  
**For the Year Ended**  
**31 March 2020**

**BEEVER AND STRUTHERS**

Chartered accountants  
Central Buildings  
Richmond Terrace  
Blackburn  
BB1 7AP



# Renown Gears Limited

## Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	1,477,538	1,605,943
<b>Current assets</b>			
Stocks		631,377	640,194
Debtors	7	1,111,231	1,101,903
Cash at bank and in hand		662	68,727
		<u>1,743,270</u>	<u>1,810,824</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(956,607)</u>	<u>(891,774)</u>
<b>Net current assets</b>		<u>786,663</u>	<u>919,050</u>
<b>Total assets less current liabilities</b>		<u>2,264,201</u>	<u>2,524,993</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(253,936)</u>	<u>(379,524)</u>
<b>Provisions</b>			
Taxation including deferred tax		(144,100)	(163,600)
Other provisions		(23,635)	(24,627)
		<u>(167,735)</u>	<u>(188,227)</u>
<b>Net assets</b>		<u><u>1,842,530</u></u>	<u><u>1,957,242</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,870	3,870
Share premium account		3,130	3,130
Profit and loss account		<u>1,835,530</u>	<u>1,950,242</u>
<b>Shareholders funds</b>		<u><u>1,842,530</u></u>	<u><u>1,957,242</u></u>

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 Section 1A of 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 income statement has not been delivered.

For the year ending 31 March 2020 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.

The statement of financial position  
continues on the following page.  
The notes on pages 3 to 9 form part of these financial statements.

# **Renown Gears Limited**

## **Statement of Financial Position** *(continued)*

**31 March 2020**

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These financial statements were approved by the board of directors and authorised for issue on 30.11.2020 and are signed on behalf of the board by:



J L Madden  
Director

Company registration number: 902451

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The notes on pages 3 to 9 form part of these financial statements.

# **Renown Gears Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2020**

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#### **1. General Information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Greenbank Business Park, Dyneley Road, Blackburn, Lancashire, BB1 3AB.

#### **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 have been prepared on the historical cost basis as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

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

##### **Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

##### **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 amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the opinion of the directors there are no critical accounting judgements.

##### **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.

# Renown Gears Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2020

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#### 3. Accounting Policies *(continued)*

##### Income 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.

##### Foreign Currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### 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:

Plant and machinery	- 10% reducing balance
Office fixtures, fittings and equipment	- 15% 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.

##### 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.

# Renown Gears Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2020

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#### 3. Accounting Policies *(continued)*

##### 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.

##### Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a 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.

# **Renown Gears Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year Ended 31 March 2020**

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#### **3. Accounting Policies** *(continued)*

##### **Financial Instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

The company only has basic financial instruments.

##### **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 42 (2019: 37).

Recharges in respect of nil (2019: 3) of these employees are made to Hewitt & Topham Limited.

# Renown Gears Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 March 2020

#### 5. Tangible Assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2019	1,064,397	4,031,983	574,585	30,317	5,701,282
Additions	–	–	5,047	–	5,047
Disposals	–	–	(23,340)	–	(23,340)
<b>At 31 March 2020</b>	<u>1,064,397</u>	<u>4,031,983</u>	<u>556,292</u>	<u>30,317</u>	<u>5,682,989</u>
<b>Depreciation</b>					
At 1 April 2019	372,738	3,239,026	468,342	15,233	4,095,339
Charge for the year	18,918	85,087	25,676	3,771	133,452
Disposals	–	–	(23,340)	–	(23,340)
<b>At 31 March 2020</b>	<u>391,656</u>	<u>3,324,113</u>	<u>470,678</u>	<u>19,004</u>	<u>4,205,451</u>
<b>Carrying amount</b>					
<b>At 31 March 2020</b>	<u>672,741</u>	<u>707,870</u>	<u>85,614</u>	<u>11,313</u>	<u>1,477,538</u>
At 31 March 2019	<u>691,659</u>	<u>792,957</u>	<u>106,243</u>	<u>15,084</u>	<u>1,605,943</u>

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
<b>At 31 March 2020</b>	<u>134,247</u>
At 31 March 2019	<u>149,164</u>

#### 6. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	<u>1,208,470</u>
<b>Impairment</b>	
At 1 April 2019 and 31 March 2020	<u>1,208,470</u>
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	<u>–</u>
At 31 March 2019	<u>–</u>



# Renown Gears Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2020

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#### 7. Debtors

	2020	2019
	£	£
Trade debtors	872,405	844,254
Other debtors	238,826	257,649
	<u>1,111,231</u>	<u>1,101,903</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	562,784	327,799
Trade creditors	205,515	309,706
Social security and other taxes	89,369	148,469
Other creditors	98,939	105,800
	<u>956,607</u>	<u>891,774</u>

The bank loans and overdraft are secured by a legal charge over the company's property and a debenture over the company's assets. The bank funded hire purchase borrowings of £47,070 (2019: £39,373) are secured on a debenture over the company's assets.

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

	2020	2019
	£	£
Bank loans and overdrafts	224,181	310,865
Other creditors	29,755	68,659
	<u>253,936</u>	<u>379,524</u>

The bank loans are secured by a legal charge over the company's property and a debenture over the company's assets. The bank funded hire purchase borrowings of £21,729 (2019: £68,659) are secured on a debenture over the company's assets.

#### 10. Events after the End of the Reporting Period

In March 2020 the UK government introduced lockdown measures in response to the Covid-19 pandemic. Since the year end, as a result, the Company's operations contracted and some employees were put on furlough, the Company has taken advantage of the Government's support schemes. The full effect of Covid-19 on the Company and its impact on future trading volumes is not clear, but current trading provides the Directors with a reasonable level of confidence. Forecasts have been prepared by the Directors to demonstrate that the Company has adequate financial resources to continue on a going concern basis for the foreseeable future.

# **Renown Gears Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year Ended 31 March 2020**

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#### **11. Related Party Transactions**

In the prior year, dividends of £265,406 were received from Hewitt & Topham Limited, a company which is controlled by Renown Gears Limited.

At the year end there is a loan outstanding from a director for £148,502 (2019: £136,525) which consists of cash drawings in excess of dividends and private expenses incurred. The loan is interest free with no set dates of repayment.

Hewitt & Topham Limited has cross guaranteed the bank borrowings of the company, which at the year end was £786,965 (2019: £573,131).