

Company Registration No. 02637000 (England and Wales)

HALCYON DRIVES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017
PAGES FOR FILING WITH REGISTRAR

HALCYON DRIVES LIMITED

COMPANY INFORMATION

Directors	Mr C J Wainman Mr G C Thorpe
Secretary	Mr G C Thorpe
Company number	02637000
Registered office	Unit 2 7 Butler Way Stanningley Leeds West Yorkshire LS28 6EA
Accountants	Hentons 118 North Street Leeds West Yorkshire LS2 7PN
Business address	Unit 2 7 Butler Way Stanningley Leeds West Yorkshire LS28 6EA
Bankers	NatWest Bank plc 8 Park Row Leeds LS1 1QB

HALCYON DRIVES LIMITED

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HALCYON DRIVES LIMITED

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		91,297		114,475
Investments	4		19,000		19,000
			<u>110,297</u>		<u>133,475</u>
Current assets					
Stocks		399,656		399,750	
Debtors	5	1,206,304		1,117,751	
Cash at bank and in hand		3,950		36,215	
		<u>1,609,910</u>		<u>1,553,716</u>	
Creditors: amounts falling due within one year	6	(1,552,518)		(1,278,115)	
Net current assets			57,392		275,601
Total assets less current liabilities			167,689		409,076
Provisions for liabilities	7		(18,260)		(22,896)
Net assets			<u>149,429</u>		<u>386,180</u>
Capital and reserves					
Called up share capital	8		420		420
Capital redemption reserve			34		34
Profit and loss reserves			148,975		385,726
Total equity			<u>149,429</u>		<u>386,180</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

HALCYON DRIVES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

For the financial year ended 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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Mr G C Thorpe
Director

Company Registration No. 02637000

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Halcyon Drives Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, 7 Butler Way, Stanningley, Leeds, West Yorkshire, LS28 6EA.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of Halcyon Drives Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 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:

Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

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.

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 (or cash-generating unit) 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 (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 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 statement of financial position 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

Basic financial assets, which include trade and other receivables 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.

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

Other financial assets

A financial asset held as an equity instrument is recognised initially at the transaction price (including transaction costs).

At the end of each reporting period, unlisted equity investments are recorded at fair value, where appropriate, or at cost less impairment if their fair value cannot be reliably measured. Objective evidence of the impairment of financial assets is assessed at each period end and any impairment loss recognised in the profit or loss immediately. Impairment loss is calculated as the difference between the carrying amount of the instrument and the best estimate of the cash flows expected to be derived from the asset (including sales proceeds if sold) at the balance sheet date.

Investment income is recognised in the financial statements when the company becomes entitled to its share of profits from the financial instrument.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments 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.

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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

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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

2 Employees

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

	2017 Number	2016 Number
Total	33	35

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2016	4,889	462,335	467,224
Additions	-	3,956	3,956
At 31 May 2017	4,889	466,291	471,180
Depreciation and impairment			
At 1 June 2016	3,876	348,873	352,749
Depreciation charged in the year	342	26,792	27,134
At 31 May 2017	4,218	375,665	379,883
Carrying amount			
At 31 May 2017	671	90,626	91,297
At 31 May 2016	1,013	113,462	114,475

4 Fixed asset investments

	2017 £	2016 £
Investments	19,000	19,000

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

4 Fixed asset investments (Continued)

Movements in fixed asset investments

Investments other than loans

£

Cost or valuation

At 1 June 2016 & 31 May 2017

19,000

Carrying amount

At 31 May 2017

19,000

At 31 May 2016

19,000

5 Debtors

Amounts falling due within one year:

2017

£

2016

£

Trade debtors

1,177,373

1,093,816

Corporation tax recoverable

8,604

-

Other debtors

20,327

23,934

1,206,304

1,117,750

6 Creditors: amounts falling due within one year

2017

£

2016

£

Bank loans and overdrafts

544,248

163,404

Trade creditors

736,371

723,431

Corporation tax

-

9,315

Other taxation and social security

86,991

100,060

Other creditors

184,908

281,905

1,552,518

1,278,115

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company.

7 Provisions for liabilities

2017

£

2016

£

Deferred tax liabilities

18,260

22,896

18,260

22,896

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

8	Called up share capital		
		2017	2016
		£	£
	Ordinary share capital		
	Authorised		
	19,992 Ordinary shares of 50p each	9,996	9,996
	1 Ordinary B shares of £1 each	1	1
	1 Ordinary C shares of £1 each	1	1
	1 Ordinary D Shares of £1 each	1	1
		<u>9,999</u>	<u>9,999</u>
		<u><u>9,999</u></u>	<u><u>9,999</u></u>
	Issued and fully paid		
	837 Ordinary shares of 50p each	418	418
	1 Ordinary C shares of £1 each	1	1
	1 Ordinary D Shares of £1 each	1	1
		<u>420</u>	<u>420</u>
		<u><u>420</u></u>	<u><u>420</u></u>
9	Financial commitments, guarantees and contingent liabilities		

The company is a member of Leupraza LLP and is liable to contribute to the assets of the LLP in the event of a winding up before 1st June 2021. The maximum liability in relation to this undertaking is £111,000. The company does not believe that a winding-up of the LLP is probable and has not made provision for the liability at 31 May 2017.

HALCYON DRIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Total commitments	514,375	550,540

11 Related party transactions

No guarantees have been given or received.

Included in other creditors at the balance sheet date, are amounts due to the directors of £29,697 (2016: £29,697). The loans are interest free and have no fixed terms of repayment.

The company paid rent of £85,000 (2016: £85,000) to Kingfisher Partnership, a partnership of which Mr G Thorpe and Mr C Wainman are partners.

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.