

COMPANY REGISTRATION NUMBER: 02722732

UNIVERSAL MOTORS UK LTD
FILLETED UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2020



UNIVERSAL MOTORS UK LTD

FINANCIAL STATEMENTS

Year ended 31 December 2020

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UNIVERSAL MOTORS UK LTD

STATEMENT OF FINANCIAL POSITION

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	24,377	36,964
Current assets			
Stocks		931,694	1,394,501
Debtors	7	629,100	529,249
Cash at bank and in hand		31,315	4,429
		<u>1,592,109</u>	<u>1,928,179</u>
Creditors: amounts falling due within one year	8	<u>781,971</u>	<u>1,206,908</u>
Net current assets		<u>810,138</u>	<u>721,271</u>
Total assets less current liabilities		<u>834,515</u>	<u>758,235</u>
Creditors: amounts falling due after more than one year	9	<u>–</u>	<u>4,750</u>
Net assets		<u>834,515</u>	<u>753,485</u>
Capital and reserves			
Called up share capital	12	14,400	14,400
Profit and loss account		820,115	739,085
Shareholders funds		<u>834,515</u>	<u>753,485</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 statement of comprehensive income has not been delivered.

For the year ending 31 December 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.

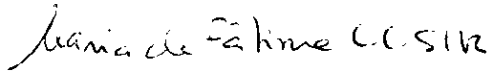
The notes on pages 3 to 7 form part of these financial statements.

UNIVERSAL MOTORS UK LTD

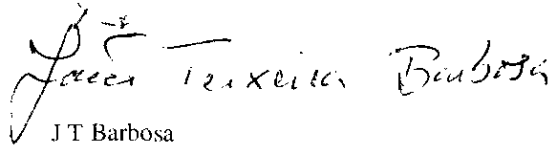
STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2020

These financial statements were approved by the board of directors and authorised for issue on 7 July 2021, and are signed on behalf of the board by:



Mrs F L C Da Silva
Director



J T Barbosa
Director

Company registration number: 02722732

The notes on pages 3 to 7 form part of these financial statements.

UNIVERSAL MOTORS UK LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 35 Westgate, Huddersfield, HD1 1PA.

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 and investment properties measured at fair value through profit or loss.

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

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.

Taxation

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.

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.

UNIVERSAL MOTORS UK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

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:

Plant & machinery	-	25% straight line
Motor vehicles	-	25% reducing balance
Computer & office equipment	-	25% straight line

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.

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.

UNIVERSAL MOTORS UK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Government grants *(continued)*

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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 11 (2019: 13).

5. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020	2019
	£	£
Equity dividends on ordinary shares	<u>60,000</u>	<u>70,000</u>

UNIVERSAL MOTORS UK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

6. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2020	18,705	41,792	59,221	119,718
Additions	–	–	1,878	1,878
At 31 December 2020	18,705	41,792	61,099	121,596
Depreciation				
At 1 January 2020	15,450	20,243	47,061	82,754
Charge for the year	1,711	5,387	7,367	14,465
At 31 December 2020	17,161	25,630	54,428	97,219
Carrying amount				
At 31 December 2020	1,544	16,162	6,671	24,377
At 31 December 2019	3,255	21,549	12,160	36,964

7. Debtors

	2020 £	2019 £
Trade debtors	607,968	507,901
Prepayments and accrued income	9,882	10,098
Other debtors	11,250	11,250
	629,100	529,249

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	243,877	400,076
Trade creditors	122,200	458,659
Accruals and deferred income	43,434	59,096
Corporation tax	35,567	46,531
Social security and other taxes	239,397	46,340
Obligations under finance leases and hire purchase contracts	4,750	7,125
Advances under invoice financing arrangements	90,847	189,081
Other creditors	1,899	–
	781,971	1,206,908

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

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	–	4,750

UNIVERSAL MOTORS UK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2020

10. Secured indebtedness

The aggregate amount of secured liabilities at the year end totalled £339,474 (2019: £601,032).

11. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution pension plans was £15,020 (2019: £9,030).

12. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>14,400</u>	<u>14,400</u>	<u>14,400</u>	<u>14,400</u>

13. Ultimate parent company

The ultimate parent company is Growforward SA, a company incorporated in Portugal and controlled by A Ricca. It prepares consolidated financial statements and copies can be obtained from the Portuguese Register of Commercial Companies. Universal Motors UK Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479C of that Act.

14. Operating leases

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

	2020	2019
	£	£
Not later than 1 year	1,124	784
Later than 1 year and not later than 5 years	6,299	21,667
Later than 5 years	<u>234,000</u>	<u>270,000</u>
	<u>241,423</u>	<u>292,451</u>

15. Related party transactions

Growforward SA is also the controlling shareholder of Pump Logic Limited. During the period under review Universal Motors UK Limited supplied parts and other services to Pump Logic Limited at commercial rates and terms amounting to £7,364 (2019: £14,670). At the Balance Sheet date there was an amount owed by Pump Logic Limited to the company of £5,116 (2019: £8,359).