

Registration number: 03070849

Gear Change Limited
Unaudited Financial Statements
for the Year Ended 31 August 2022

Gear Change Limited

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Gear Change Limited

Company Information

Director	Ms J M Roberts
Registered office	34 Boulevard Weston-super-Mare Somerset BS23 1NF
Accountants	Four Fifty Partnership Chartered Accountants 34 Boulevard Weston-super-Mare Somerset BS23 1NF

Gear Change Limited
(Registration number: 03070849)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>5</u>	25,899	18,563
Current assets			
Stocks	<u>6</u>	23,045	23,045
Debtors	<u>7</u>	23,038	23,495
Cash at bank and in hand		26,400	57,871
		72,483	104,411
Creditors: Amounts falling due within one year	<u>8</u>	(60,874)	(56,252)
Net current assets		11,609	48,159
Total assets less current liabilities		37,508	66,722
Creditors: Amounts falling due after more than one year	<u>8</u>	(27,500)	(37,500)
Provisions for liabilities		(3,416)	(2,937)
Net assets		<u>6,592</u>	<u>26,285</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Retained earnings		6,492	26,185
Shareholders' funds		<u>6,592</u>	<u>26,285</u>

For the financial year ending 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Gear Change Limited

(Registration number: 03070849)

Balance Sheet as at 31 August 2022

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the director on 31 May 2023

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Ms J M Roberts

Director

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

34 Boulevard
Weston-super-Mare
Somerset
BS23 1NF

The principal place of business is:

Unit 2
Mill Batch Farm Industrial Estate
Bristol Road
Highbridge
Somerset
TA9 4JN
United Kingdom

These financial statements were authorised for issue by the director on 31 May 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of the financial statements is Pound Sterling (£).

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Vehicles, plant and machinery	25% reducing balance.
Fixtures and fittings	25% reducing balance.

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

2 Accounting policies (continued)

Office equipment	3 years straight line.
Improvements to property	10 years straight line.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 9 (2021 - 8).

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

4 Loss/profit before tax

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	9,046	5,908

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 September 2021	3,881	7,139	2,580	16,642	30,242
Additions	-	4,216	3,333	9,396	16,945
Disposals	-	-	-	(1,780)	(1,780)
At 31 August 2022	3,881	11,355	5,913	24,258	45,407
Depreciation					
At 1 September 2021	776	3,231	1,492	6,180	11,679
Charge for the year	388	2,588	1,105	4,964	9,045
Eliminated on disposal	-	-	-	(1,216)	(1,216)
At 31 August 2022	1,164	5,819	2,597	9,928	19,508
Carrying amount					
At 31 August 2022	2,717	5,536	3,316	14,330	25,899
At 31 August 2021	3,105	3,908	1,088	10,462	18,563

Included within the net book value of land and buildings above is £2,717 (2021 - £3,105) in respect of improvements to leasehold property.

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

6 Stocks

	2022	2021
	£	£
Other inventories	23,045	23,045

7 Debtors

	2022	2021
	£	£
Current		
Trade debtors	12,472	10,375
Prepayments	537	836
Other debtors	10,029	12,284
	23,038	23,495

8 Creditors

Creditors: amounts falling due within one year

	Note	2022	2021
		£	£
Due within one year			
Loans and borrowings	<u>11</u>	10,000	10,000
Trade creditors		23,597	28,080
Taxation and social security		21,713	13,646
Accruals and deferred income		1,200	4,378
Other creditors		4,364	148
		60,874	56,252

Creditors include bank loans which are secured by the Government of £10,000 (2021 - £10,000).

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

8 Creditors (continued)

Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Non-current loans and borrowings		
Other borrowings	27,500	37,500

Creditors include bank loans which are secured by the Government of £27,500 (2021 - £37,500).

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100

10 Related party transactions

Summary of transactions with other related parties

Automatic Gear Change Limited

A company under common control of the director.

As at the balance sheet date, the company owed £3,728 to Automatic Gear Change Limited (2021 - was owed £1,289). The company considers this loan to be interest free and repayable on demand. All transactions are made on an arms length basis.

Gear Change Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2022

11 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Other borrowings	<u>27,500</u>	<u>37,500</u>
	2022	2021
	£	£
Current loans and borrowings		
Other borrowings	<u>10,000</u>	<u>10,000</u>

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.