

**COMPANY REGISTRATION NUMBER: 03559460**

**Driveshaft Services Limited**

**Filleted Unaudited Financial Statements**

**30 September 2017**

**Driveshaft Services Limited**

**Financial Statements**

**Year ended 30 September 2017**

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**Driveshaft Services Limited**

**Officers and Professional Advisers**

**Director**

Mr S Richards

**Registered office**

29 Sturmi Way,  
Village Farm Industrial Estate  
Pyle  
Bridgend  
Mid Glamorgan  
Wales  
CF33 6BZ

**Accountants**

James & Uzzell Ltd  
Chartered Certified Accountants  
Axis 15, Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

**Driveshaft Services Limited**  
**Statement of Financial Position**  
**30 September 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	5	678,831	663,461
<b>CURRENT ASSETS</b>			
Stocks		104,247	63,979
Debtors	6	472,044	389,337
Cash at bank and in hand		546,483	425,563
		-----	-----
		1,122,774	878,879
<b>CREDITORS: amounts falling due within one year</b>	7	478,017	472,101
		-----	-----
<b>NET CURRENT ASSETS</b>		644,757	406,778
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,323,588	1,070,239
<b>CREDITORS: amounts falling due after more than one year</b>	8	80,746	53,215
<b>PROVISIONS</b>			
Taxation including deferred tax		28,405	22,284
		-----	-----
<b>NET ASSETS</b>		1,214,437	994,740
		-----	-----
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account		1,214,337	994,640
		-----	-----
<b>MEMBERS FUNDS</b>		1,214,437	994,740
		-----	-----

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.

For the year ending 30 September 2017 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 financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

**Driveshaft Services Limited**

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

**30 September 2017**

These financial statements were approved by the board of directors and authorised for issue on 20 June 2018 , and are signed on behalf of the board by:

**Mr S Richards**

Director

Company registration number: 03559460

## **Driveshaft Services Limited**

### **Notes to the Financial Statements**

**Year ended 30 September 2017**

#### **1. GENERAL INFORMATION**

Driveshaft Services Limited is a private company limited by shares incorporated in England & Wales, United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities are the refurbishment of automotive components.

#### **2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)', Section 1A for Small Entities and the Companies Act 2006.

#### **3. ACCOUNTING POLICIES**

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

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1. The reporting period of these financial statements and its comparative period is 12 months. These financial statements only include the results of the individual entity made up to 30 September 2017. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

##### **Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### **Going concern**

The director has considered the future trading position of the company and is confident that the going concern principle can be applied to the financial statements.

##### **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 finance transaction it is measured at present value.

**Debtors and creditors receivable/payable 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.

**Judgements and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below. Useful economic lives of tangible assets The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. Stock provision The company sells driveshafts & parts. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability. Impairment of debtors The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows: Sale of goods Turnover from the sale of driveshafts and parts is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods. Rendering of services When the outcome of a transaction can be estimated reliably, turnover from refurbishment of driveshafts is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to finishing of refurbishment. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable. Interest and dividends receivable Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

## **Tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

## **Operating leases**

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

## **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:

Leasehold Property	-	Over term of lease
Plant & Machinery	-	25% per annum of cost
Fixtures & Fittings	-	20% per annum of cost
Motor Vehicles	-	25% per annum of cost



### Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

### 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.

### Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### 4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 21 (2016: 20 ).

### 5. TANGIBLE ASSETS

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2016	542,092	394,855	79,014	173,314	<b>1,189,275</b>
Additions	—	45,305	1,830	50,335	<b>97,470</b>
Disposals	—	—	—	( 32,340)	<b>( 32,340)</b>
	-----	-----	-----	-----	-----
<b>At 30 September 2017</b>	<b>542,092</b>	<b>440,160</b>	<b>80,844</b>	<b>191,309</b>	<b>1,254,405</b>
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At 1 October 2016	46,448	328,647	76,835	73,884	<b>525,814</b>
Charge for the year	8,866	36,516	1,061	35,657	<b>82,100</b>
Disposals	—	—	—	( 32,340)	<b>( 32,340)</b>
	-----	-----	-----	-----	-----
<b>At 30 September 2017</b>	<b>55,314</b>	<b>365,163</b>	<b>77,896</b>	<b>77,201</b>	<b>575,574</b>
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<b>Carrying amount</b>					
<b>At 30 September 2017</b>	<b>486,778</b>	<b>74,997</b>	<b>2,948</b>	<b>114,108</b>	<b>678,831</b>
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At 30 September 2016	495,644	66,208	2,179	99,430	663,461
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## 6. DEBTORS

	2017	2016
	£	£
Trade debtors	355,189	253,844
Amounts owed by group undertakings and undertakings in which the company has a participating interest	112,805	129,841
Other debtors	4,050	5,652
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	472,044	389,337
	-----	-----

## 7. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	157,728	162,060
Corporation tax	79,361	85,149
Social security and other taxes	68,482	46,533
Other creditors	172,446	178,359
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	478,017	472,101
	-----	-----

Obligations under finance leases and hire purchase contracts are secured by related assets. The aggregate of secured liabilities falling due within one year is £42,449 (2016: £36,708) The bank has a fixed and floating debenture over the assets of the company. The bank has a legal charge over the property in the company. Obligations under finance leases and hire purchase contracts are secured by related assets.

## 8. CREDITORS: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	80,746	53,215
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Obligations under finance lease and hire purchase contracts are secured by related assets.

## 9. CALLED UP SHARE CAPITAL

### Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
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## 10. OPERATING LEASES

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

	2017	2016
	£	£
Not later than 1 year	—	445
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## 11. RELATED PARTY TRANSACTIONS

(Related company)

	2017	2016
	£	£
Purchases from related companies	33,744	15,806
Sales to related companies	138,507	122,915
Balance owing (to)/from related companies	112,805	129,841
Rent received from related companies	19,250	19,528
Management charge received from related companies	80,000	100,000

## 12. PARENT UNDERTAKING

The ultimate parent company is Driveshaft Services (Holdings) Limited, a company registered in Great Britain.

## 13. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2015.

No transitional adjustments were required in equity or profit or loss for the year.

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.