

USYSTEMS LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28TH FEBRUARY 2017

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FOR THE YEAR ENDED 28TH FEBRUARY 2017**

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**COMPANY INFORMATION
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

DIRECTOR: M Cook

SECRETARY: D Cook

REGISTERED OFFICE: Systems House
235 Ampthill Road
Bedford
Bedfordshire
MK42 9QG

REGISTERED NUMBER: 04616025 (England and Wales)

AUDITORS: HW East Midlands Audit LLP
Statutory Auditors
Woburn Court, 2 Railton Rd
Woburn Road Ind Est
Kempston
Bedfordshire
MK42 7PN

**BALANCE SHEET
28TH FEBRUARY 2017**

	Notes	28/2/17 £	£	29/2/16 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		<u>442,381</u>		<u>648,583</u>
			442,381		648,583
CURRENT ASSETS					
Stocks		501,740		484,998	
Debtors	6	1,342,458		794,654	
Cash at bank and in hand		<u>73,570</u>		<u>27,065</u>	
		1,917,768		1,306,717	
CREDITORS					
Amounts falling due within one year	7	<u>1,086,341</u>		<u>775,905</u>	
NET CURRENT ASSETS			<u>831,427</u>		<u>530,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,273,808		1,179,395
CREDITORS					
Amounts falling due after more than one year	8		(221,684)		(163,022)
PROVISIONS FOR LIABILITIES			<u>(76,273)</u>		<u>(100,682)</u>
NET ASSETS			<u>975,851</u>		<u>915,691</u>
CAPITAL AND RESERVES					
Called up share capital			832,333		832,333
Retained earnings			<u>143,518</u>		<u>83,358</u>
SHAREHOLDERS' FUNDS			<u>975,851</u>		<u>915,691</u>

**BALANCE SHEET -
continued
28TH FEBRUARY 2017**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 27th November 2017 and were signed by:

M Cook - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

1. STATUTORY INFORMATION

USystems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Certain contracts require an upfront deposit treated as deferred income.

Research & development

Development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably be regarded as assured. Any development expenditure carried forward is amortised in line with its expected useful economic life over 5 years on a straight line basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- straight line over lease term
Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are stated 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 stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Stocks that recognised in cost of sales during the year as an expense totalled £1,546,615. (29/2/16; £1,557,162)

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of

stocks are recognised as an expense in the period in which the write-down or loss occurs.
The amount of any
reversal of any write-down of stocks is recognised as a reduction in the amount of stocks
recognised as an
expense in the period in which the reversal occurs.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Research and development

Development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably be regarded as assured.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 53 (2016 - 58) .

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

4. INTANGIBLE FIXED ASSETS

	Development costs £	Computer software £	Totals £
COST			
At 1st March 2016	50,181	-	50,181
Additions	-	37,800	37,800
Transfer to parent company	-	(37,800)	(37,800)
At 28th February 2017	<u>50,181</u>	<u>-</u>	<u>50,181</u>
AMORTISATION			
At 1st March 2016	50,181	-	50,181
Amortisation for year	-	630	630
Transfer to parent company	-	(630)	(630)
At 28th February 2017	<u>50,181</u>	<u>-</u>	<u>50,181</u>
NET BOOK VALUE			
At 28th February 2017	<u>-</u>	<u>-</u>	<u>-</u>
At 29th February 2016	<u>-</u>	<u>-</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st March 2016	64,243	1,373,158	136,955	91,806	1,666,162
Additions	-	12,515	1,718	-	14,233
Disposals	-	(56,810)	-	-	(56,810)
Transfer to parent company	(64,243)	-	(138,673)	-	(202,916)
At 28th February 2017	<u>-</u>	<u>1,328,863</u>	<u>-</u>	<u>91,806</u>	<u>1,420,669</u>
DEPRECIATION					
At 1st March 2016	4,761	910,748	55,090	46,980	1,017,579
Charge for year	6,424	59,726	19,900	11,207	97,257
Eliminated on disposal	-	(50,373)	-	-	(50,373)
Transfer to parent company	(11,185)	-	(74,990)	-	(86,175)
At 28th February 2017	<u>-</u>	<u>920,101</u>	<u>-</u>	<u>58,187</u>	<u>978,288</u>
NET BOOK VALUE					
At 28th February 2017	<u>-</u>	<u>408,762</u>	<u>-</u>	<u>33,619</u>	<u>442,381</u>
At 29th February 2016	<u>59,482</u>	<u>462,410</u>	<u>81,865</u>	<u>44,826</u>	<u>648,583</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

6. DEBTORS

	28/2/17 £	29/2/16 £
Amounts falling due within one year:		
Trade debtors	791,832	551,671
Amounts owed by participating interests	34,037	-
Other debtors	12,850	2,898
Tax	16,000	-
Prepayments and accrued income	31,693	-
	<u>886,412</u>	<u>554,569</u>
 Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>456,046</u>	<u>240,085</u>
 Aggregate amounts	<u>1,342,458</u>	<u>794,654</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/17 £	29/2/16 £
Barclays sales finance	296,196	241,295
Other loans	6,697	-
Hire purchase contracts	140,540	131,123
Trade creditors	479,507	337,502
Social security and other taxes	19,333	18,754
VAT	56,311	26,684
Other creditors	7,558	63
Company credit card	10,976	6,260
Accruals and deferred income	69,223	14,224
	<u>1,086,341</u>	<u>775,905</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28/2/17 £	29/2/16 £
Hire purchase contracts	<u>221,684</u>	<u>163,022</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2017**

9. SECURED DEBTS

The following secured debts are included within creditors:

	28/2/17	29/2/16
	£	£
Barclays sales finance	296,196	241,295
Hire purchase contracts	<u>362,224</u>	<u>294,145</u>
	<u>658,420</u>	<u>535,440</u>

Bank loans are secured by a fixed and floating charge over the company's assets.

The bank loan is an invoice discounting loan which is secured by a charge over the book debts of the company.

Barclays Bank PLC also have in place a debenture dated 08/07/2004. This debenture is in the form of a fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Roger Hammond FCA (Senior Statutory Auditor)
for and on behalf of HW East Midlands Audit LLP

11. FIRST YEAR ADOPTION

The transition date to the new accounting standard, FRS 102 was 1 March 2016. On transition the hire purchase liability has been recalculated using the effective interest rate with a change to retained profits of £10,210.