

Registered number: 03633003

Polar Automotive Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 31 May 2017

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Polar Automotive Limited for the year ended 31 May 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Polar Automotive Limited for the year ended 31 May 2017 which comprise the Balance sheet and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Polar Automotive Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Polar Automotive Limited and state those matters that we have agreed to state to the Board of directors of Polar Automotive Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Polar Automotive Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Polar Automotive Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Polar Automotive Limited. You consider that Polar Automotive Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Polar Automotive Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

Chartered Accountants

Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU
16 February 2018

Balance sheet
As at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	133,102	143,220
Current assets			
Stocks		81,023	82,602
Debtors: amounts falling due within one year	5	143,425	7,770
Cash at bank and in hand		82,922	162,822
		<u>307,370</u>	<u>253,194</u>
Creditors: amounts falling due within one year	6	(122,659)	(113,570)
Net current assets		<u>184,711</u>	<u>139,624</u>
Total assets less current liabilities		<u>317,813</u>	<u>282,844</u>
Provisions for liabilities			
Deferred tax	7	(1,219)	-
		<u>(1,219)</u>	<u>-</u>
Net assets		<u><u>316,594</u></u>	<u><u>282,844</u></u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		316,494	282,744
		<u><u>316,594</u></u>	<u><u>282,844</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2018.

N J Massey

Director

The notes on pages 3 to 9 form part of these financial statements.

Notes to the financial statements
For the year ended 31 May 2017

1. General information

Polar Automotive Limited is private company limited by shares and is incorporated in England and Wales with the registration number 03633003. The address of the registered office is Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant & machinery	-	20% - 33% straight line
Motor vehicles	-	25% straight line
Office equipment	-	33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

Notes to the financial statements
For the year ended 31 May 2017

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

Notes to the financial statements
For the year ended 31 May 2017

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

Notes to the financial statements
For the year ended 31 May 2017

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

Notes to the financial statements
For the year ended 31 May 2017

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation					
At 1 June 2016	126,685	43,739	29,643	17,161	217,228
Additions	-	1,242	-	1,011	2,253
At 31 May 2017	<u>126,685</u>	<u>44,981</u>	<u>29,643</u>	<u>18,172</u>	<u>219,481</u>
Depreciation					
At 1 June 2016	-	38,320	23,470	12,218	74,008
Charge for the year on owned assets	-	4,213	6,173	1,985	12,371
At 31 May 2017	<u>-</u>	<u>42,533</u>	<u>29,643</u>	<u>14,203</u>	<u>86,379</u>
Net book value					
At 31 May 2017	<u>126,685</u>	<u>2,448</u>	<u>-</u>	<u>3,969</u>	<u>133,102</u>
At 31 May 2016	<u>126,685</u>	<u>5,419</u>	<u>6,173</u>	<u>4,943</u>	<u>143,220</u>

5. Debtors

	2017 £	2016 £
Trade debtors	1,917	4,981
Other debtors	141,508	2,789
	<u>143,425</u>	<u>7,770</u>

Included within other debtors due within one year is a loan to N J Massey and J L Massey, directors, amounting to £184,000 (2016 - £NIL). Amounts repaid during the year totalled £42,616. The balance at 31 May 2017 was £141,384. It is to be repaid by 28 February 2018 and has been subject to interest at a rate of 3%.

Notes to the financial statements
For the year ended 31 May 2017

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	71,766	60,022
Corporation tax	26,523	36,292
Other taxation and social security	17,423	15,643
Other creditors	5,494	40
Accruals and deferred income	1,453	1,573
	<u>122,659</u>	<u>113,570</u>

7. Deferred taxation

	2017 £
Charged to profit or loss	(1,219)
At end of year	<u>(1,219)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(1,219)	-
	<u>(1,219)</u>	<u>-</u>

8. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Related party transactions

In the year the company paid dividends of £61,765 (2016: £41,053) to its shareholders who are also directors. All other transactions with related parties were conducted under normal market conditions.

10. Controlling party

The company is under the control of N J Massey.

**Notes to the financial statements
For the year ended 31 May 2017**

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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.