

COMPANY REGISTRATION NUMBER: 04396848

Pen Mobile Solutions Limited
Filleted Unaudited Financial Statements
30 June 2017

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Pen Mobile Solutions Limited

Financial Statements

Year ended 30 June 2017

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Pen Mobile Solutions Limited

Statement of Financial Position

30 June 2017

	Note	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	5		42,727		51,251
Tangible assets	6		5,322		7,858
			<u>48,049</u>		<u>59,109</u>
Current assets					
Stocks		340,462		341,264	
Debtors	7	140,319		159,140	
		<u>480,781</u>		<u>500,404</u>	
Creditors: amounts falling due within one year	8	<u>310,246</u>		<u>328,359</u>	
Net current assets			<u>170,535</u>		<u>172,045</u>
Total assets less current liabilities			<u>218,584</u>		<u>231,154</u>
Creditors: amounts falling due after more than one year	9		–		6,157
Provisions					
Taxation including deferred tax			844		1,226
Net assets			<u>217,740</u>		<u>223,771</u>

The statement of financial position
continues on the following page.

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

Pen Mobile Solutions Limited

Statement of Financial Position *(continued)*

30 June 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital		13,029	13,029
Share premium account	10	68,237	68,237
Profit and loss account	10	136,474	142,505
Shareholders funds		<u>217,740</u>	<u>223,771</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 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 30 June 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.

These financial statements were approved by the board of directors and authorised for issue on 21/3/2018, and are signed on behalf of the board by:


L R D Morley
Director

Company registration number: 04396848

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

Pen Mobile Solutions Limited

Notes to the Financial Statements

Year ended 30 June 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Park Cottage, Langford Road, Lower Langford, North Somerset, BS40 5HU.

The principal activity of the company during the year was the import and export of barcode reading equipment.

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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 July 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

A bad debt provision is provided where the Directors believe a debt to be irrecoverable.

A stock provision is provided where the Directors consider the recoverability of stock is impaired due to age, obsolescence or damage.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

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.

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Research and development - 25.00% straight line on commencement of sales

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

Research and development

Research and development costs are capitalised where there is a clearly defined project, the expenditure is separately identifiable, the outcome of these projects is assessed with reasonable certainty, future profits are expected in relation to these projects and adequate resources exist.

Two projects were capitalised in the accounting period ending 30 June 2015. The first project has had sales in the current and previous years and therefore the costs are being written off over a four year period. No sales have yet to be made in relation to the second project and therefore these costs have been fully deferred.

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:

Fixtures and fittings	- 25% reducing balance
Equipment	- 25% reducing balance
Software	- 20% 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.

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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 9 (2016: 7).

5. Intangible assets

	Research and developmen t £
Cost	
At 1 July 2016 and 30 June 2017	<u>68,299</u>
Amortisation	
At 1 July 2016	17,048
Charge for the year	<u>8,524</u>
At 30 June 2017	<u>25,572</u>
Carrying amount	
At 30 June 2017	<u>42,727</u>
At 30 June 2016	<u>51,251</u>

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

6. Tangible assets

	Fixtures and fittings £	Equipment £	Software £	Total £
Cost				
At 1 July 2016	9,076	21,898	10,000	40,974
Additions	80	491	—	571
At 30 June 2017	9,156	22,389	10,000	41,545
Depreciation				
At 1 July 2016	7,937	16,512	8,667	33,116
Charge for the year	345	1,429	1,333	3,107
At 30 June 2017	8,282	17,941	10,000	36,223
Carrying amount				
At 30 June 2017	874	4,448	—	5,322
At 30 June 2016	1,139	5,386	1,333	7,858

7. Debtors

	2017 £	2016 £
Trade debtors	135,286	152,236
Other debtors	5,033	6,904
	140,319	159,140

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	154,329	176,029
Trade creditors	99,986	95,483
Social security and other taxes	30,983	24,055
Other creditors	24,948	32,792
	310,246	328,359

The aggregate amount of secured debt included above is £154,329 (2016 - £176,029).

Lloyds Bank holds a legal charge, dated 9 May 2011 from the director, L Morley, over his residential freehold property and an all monies guarantee dated 20 August 2014 from the director, L Morley, for a principal amount of £20,000 in respect of the bank borrowing.

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

	2017 £	2016 £
Bank loans and overdrafts	—	6,157

Pen Mobile Solutions Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

9. Creditors: amounts falling due after more than one year *(continued)*

The aggregate amount of secured debt included above is £Nil (2016 - £6,157).

Lloyds Bank holds a legal charge, dated 9 May 2011 from the director, L Morley, over his residential freehold property and an all monies guarantee dated 20 August 2014 from the director, L Morley, for a principal amount of £20,000 in respect of the bank borrowing.

10. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

11. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2017				
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Directors' loans	<u>(25,942)</u>	<u>30,280</u>	<u>(22,827)</u>	<u>(18,489)</u>
2016				
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
Directors' loans	<u>(17,156)</u>	<u>100,110</u>	<u>(108,896)</u>	<u>(25,942)</u>

12. Transition to FRS 102

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

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