

**REGISTERED NUMBER: 01565298 (England and Wales)**

**Strategic Report, Director's Report and  
Financial Statements for the Year Ended 31 August 2021  
for  
Jhaidev Engineering Limited**



**Contents of the Financial Statements  
for the Year Ended 31 August 2021**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Director's Report</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Profit and Loss Account</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Cash Flow Statement</b>	<b>14</b>
<b>Notes to the Financial Statements</b>	<b>16</b>
<b>Trading and Profit and Loss Account</b>	<b>26</b>

**Jhaidev Engineering Limited**

**Company Information  
for the Year Ended 31 August 2021**

**DIRECTOR:**

L S Cooner

**SECRETARY:**

B K Cooner

**REGISTERED OFFICE:**

Unit 4 Hockley Brook Trading Est  
South Road Avenue  
Hockley Birmingham  
B18 5JR

**REGISTERED NUMBER:**

01565298 (England and Wales)

**AUDITORS:**

Wilkes Tranter & Co Limited  
Chartered Accountants  
Statutory Auditors  
Brook House  
Moss Grove  
Kingswinford  
West Midlands  
DY6 9HS

**Strategic Report  
for the Year Ended 31 August 2021**

The director presents his strategic report for the year ended 31 August 2021.

**REVIEW OF BUSINESS**

Sales have fallen compared to the previous year by £788,209, mainly as a result of the Coronavirus pandemic hitting the company's customers. The gross margin has fallen from 75.4% to 71.2%. Operating profit has moved from £505,136, last year to a loss of £382,349, this year. Figures for the period to 30 April 2022 show a gross margin of 76.8% with an operating profit of £237,315. This, coupled with an investment in new machinery means the director is confident that the return to profitability will continue for the remainder of the year to 31 August 2022, and beyond.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Director continually monitors key risks facing the business such as market, economy, competition and credit risk

The main risks are the uncertainties surrounding both 'Brexit' and Coronavirus. Further details can be found in the financial implications of Coronavirus (COVID - 19) paragraph found on page 3 of this strategic report.

The nature of the work undertaken by the company and the investment made in top spec machinery ensures that there is very little competition and the top end of the market in which the company operates.

The company trades with recognised creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts over the past several years has not materialised.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's credit risk is primarily attributable to its trade receivables. The company undertakes regular checks relating to credit ratings of customers as part of its ongoing processes. The risk is considered low with exposure spread over a significant number of counterparties and customers.

The company recognises that working relationships may bring employees and officials into contact with outside organisations where normal business practice offer hospitality and sometimes gifts. Offers of this can place individuals in a difficult position. As a company, no employee, official or member of family accept from a supplier, customer or other persons doing business with the company, payments of money, gifts, equipment, services, facilities or anything else of value (as guided by the Bribery Act 2010).

**FUTURE DEVELOPMENTS**

Details of future developments can be found in the Director's Report on page 4 and form part of this report by cross-reference.

**FINANCIAL IMPLICATIONS OF CORONAVIRUS (COVID-19)**

During March 2020 the UK Government introduced "lockdown measures" to restrict the spread of the Covid-19 virus in this country. These measures together with similar initiatives taken by Governments in other countries resulted in a significant decline in business activity in the UK and also worldwide. Fortunately the company has been able to continue processing during this time.

We have, where appropriate, utilised the grants and benefits available from the Government and are taking all the necessary steps we can to protect the future of our business.

Although the total impact of Covid-19 is still uncertain, the directors believe it is appropriate to prepare the accounts on a going concern basis.

**ON BEHALF OF THE BOARD:**

L S Cooner - Director

A handwritten signature in black ink, appearing to read 'LS Cooner', with a horizontal line drawn above the signature.

18 August 2022

## **Jhaidev Engineering Limited**

### **Director's Report for the Year Ended 31 August 2021**

The director presents his report with the financial statements of the company for the year ended 31 August 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of machining, finish grinding, and hard chrome plating.

#### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 8 to the financial statements.

#### **RESEARCH AND DEVELOPMENT**

The company continues to make substantial investment in research and development to improve products and efficiency to keep the company ahead of its competitors.

#### **FUTURE DEVELOPMENTS**

The company is continually looking for improvements in its machinery to improve efficiency and competitiveness. This is an ongoing programme of development within the company. With continuous investments in machinery the company aims to expand production.

#### **DIRECTOR**

L S Cooner held office during the whole of the period from 1 September 2020 to the date of this report.

#### **GOING CONCERN**

After making enquiries, the Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

#### **QUALIFYING INDEMNITY PROVISION**

During the year, an indemnity from the company was available to the Director against liabilities that might be incurred by him in defending proceedings against him in respect of the affairs of the company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

#### **EVENTS AFTER THE BALANCE SHEET DATE**

There were no significant events since the balance sheet date.

#### **DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

Information as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report, relating to financial risk management, objectives and policies.

**Director's Report  
for the Year Ended 31 August 2021**

**DIRECTOR'S RESPONSIBILITIES STATEMENT**

The Director is responsible for preparing the Strategic report, Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland". Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company for that period.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. The Director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

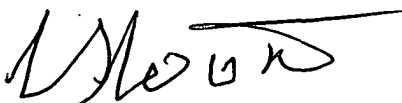
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Wilkes Tranter & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



L S Cooner - Director <sup>x</sup>

18 August 2022

## **Report of the Independent Auditors to the Members of Jhaidev Engineering Limited**

### **Opinion**

We have audited the financial statements of Jhaidev Engineering Limited (the 'company') for the year ended 31 August 2021 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Director's Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Report of the Independent Auditors to the Members of  
Jhaidev Engineering Limited**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Director's Responsibilities Statement set out on pages four and five, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures undertaken include;

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates in relation to stock valuation and doubtful debt provisions.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations such as the British standard ISO 9001.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets and stock items.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying any significant related party balances and transactions.
- Reviewing documentation such as the company board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Jhaidev Engineering Limited**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Arch FCA FCCA FMAAT (Senior Statutory Auditor)  
for and on behalf of Wilkes Tranter & Co Limited  
Chartered Accountants  
Statutory Auditors  
Brook House  
Moss Grove  
Kingswinford  
West Midlands  
DY6 9HS

18 August 2022

**Jhaidev Engineering Limited**

**Profit and Loss Account  
for the Year Ended 31 August 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	4,664,245	5,452,454
Cost of sales		<u>(1,345,526)</u>	<u>(1,343,193)</u>
<b>GROSS PROFIT</b>		3,318,719	4,109,261
Distribution costs		(19,819)	(21,386)
Administrative expenses		<u>(3,783,454)</u>	<u>(3,617,304)</u>
		(484,554)	470,571
Other operating income		<u>102,204</u>	<u>34,565</u>
<b>OPERATING (LOSS)/PROFIT</b>	5	(382,350)	505,136
Interest receivable and similar income		<u>13</u>	<u>70</u>
		(382,337)	505,206
Interest payable and similar expenses	6	<u>(25,050)</u>	<u>(16,235)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(407,387)	488,971
Tax on (loss)/profit	7	<u>156,275</u>	<u>141,816</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(251,112)	630,787
Retained earnings at beginning of year		5,261,586	4,704,059
Dividends	8	<u>(79,200)</u>	<u>(73,260)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u><u>4,931,274</u></u>	<u><u>5,261,586</u></u>

The notes form part of these financial statements

**Jhaidev Engineering Limited (Registered number: 01565298)**

**Balance Sheet  
31 August 2021**

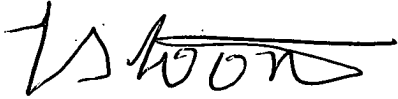
	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	9	51	57
Tangible assets	10	<u>6,013,805</u>	<u>5,213,022</u>
		<u>6,013,856</u>	<u>5,213,079</u>
<b>CURRENT ASSETS</b>			
Stocks	11	59,664	31,996
Debtors	12	2,137,422	2,096,919
Cash at bank		<u>67,898</u>	<u>146,035</u>
		2,264,984	2,274,950
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(1,800,809)</u>	<u>(1,286,051)</u>
<b>NET CURRENT ASSETS</b>		<u>464,175</u>	<u>988,899</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,478,031	6,201,978
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(1,198,467)	(586,010)
<b>PROVISIONS FOR LIABILITIES</b>	18	<u>(347,299)</u>	<u>(353,391)</u>
<b>NET ASSETS</b>		<u><u>4,932,265</u></u>	<u><u>5,262,577</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	330	330
Capital redemption reserve	20	661	661
Retained earnings	20	<u>4,931,274</u>	<u>5,261,586</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,932,265</u></u>	<u><u>5,262,577</u></u>

The notes form part of these financial statements

**Jhaidev Engineering Limited (Registered number: 01565298)**

**Balance Sheet - continued**  
**31 August 2021**

The financial statements were approved by the director and authorised for issue on 18 August 2022 and were signed by:

A handwritten signature in black ink, appearing to read 'L S Cooner', with a horizontal line drawn through the middle of the signature.

L S Cooner - Director

The notes form part of these financial statements

**Jhaidev Engineering Limited**

**Cash Flow Statement  
for the Year Ended 31 August 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(190,575)	747,938
Interest paid		(25,050)	(16,235)
Tax paid		<u>153,868</u>	<u>(26)</u>
Net cash from operating activities		<u>(61,757)</u>	<u>731,677</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,345,307)	(374,217)
Interest received		<u>13</u>	<u>70</u>
Net cash from investing activities		<u>(1,345,294)</u>	<u>(374,147)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		1,011,743	(32,011)
Amount introduced by directors		428	-
Amount withdrawn by directors		-	(854)
Equity dividends paid		<u>(79,200)</u>	<u>(73,260)</u>
Net cash from financing activities		<u>932,971</u>	<u>(106,125)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>126,366</u>	<u>(125,039)</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(347,714)</u></u>	<u><u>126,366</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 August 2021**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
(Loss)/profit before taxation	(407,387)	488,971
Depreciation charges	544,530	489,810
Government grants	(102,204)	(34,565)
Finance costs	25,050	16,235
Finance income	(13)	(70)
	59,976	960,381
Increase in stocks	(27,668)	(3,432)
Increase in trade and other debtors	(44,188)	(7,616)
Decrease in trade and other creditors	(178,695)	(201,395)
<b>Cash generated from operations</b>	<b><u>(190,575)</u></b>	<b><u>747,938</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 August 2021**

	31/8/21 £	1/9/20 £
Cash and cash equivalents	67,898	146,035
Bank overdrafts	(415,612)	(19,669)
	<b><u>(347,714)</u></b>	<b><u>126,366</u></b>

**Year ended 31 August 2020**

	31/8/20 £	1/9/19 £
Cash and cash equivalents	146,035	13,024
Bank overdrafts	(19,669)	(138,063)
	<b><u>126,366</u></b>	<b><u>(125,039)</u></b>



**Jhaidev Engineering Limited****Notes to the Cash Flow Statement  
for the Year Ended 31 August 2021****3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/9/20 £	Cash flow £	At 31/8/21 £
<b>Net cash</b>			
Cash at bank	146,035	(78,137)	67,898
Bank overdrafts	<u>(19,669)</u>	<u>(395,943)</u>	<u>(415,612)</u>
	<u>126,366</u>	<u>(474,080)</u>	<u>(347,714)</u>
<b>Debt</b>			
Finance leases	(210,209)	(1,011,743)	(1,221,952)
Debts falling due within 1 year	(27,675)	(7,131)	(34,806)
Debts falling due after 1 year	<u>(503,929)</u>	<u>42,627</u>	<u>(461,302)</u>
	<u>(741,813)</u>	<u>(976,247)</u>	<u>(1,718,060)</u>
<b>Total</b>	<u><u>(615,447)</u></u>	<u><u>(1,450,327)</u></u>	<u><u>(2,065,774)</u></u>

**1. STATUTORY INFORMATION**

Jhaidev Engineering 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 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.

**Going Concern**

After making enquiries, the Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of fifty years.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off its cost or valuation of an asset, less its residual value, over the useful economic life of the asset as follows:

Freehold property	- 2% straight line
Plant and machinery	- 15% on reducing balance
Fixtures, fittings and equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

**Government grants**

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in 'other income' within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The company has not directly benefitted from any other forms of government assistance.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**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.

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.

**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.

**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.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**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 in finance costs in profit or loss in the period in which it arises.

**2. ACCOUNTING POLICIES - continued**

**Impairment**

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.

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 are largely independent of the cash inflows from other assets or groups of assets.

**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 Balance Sheet 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 in finance costs in profit or loss in the period it arises.

**Hire purchase and leasing commitments**

Assets held under finance leases 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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**3. TURNOVER**

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business for the year ended 31 August 2021 is given below:

	£
Sale of goods	<u>4,664,245</u>
	<u><u>4,664,245</u></u>

For 2020 the sale of goods was £5,452,454.

**4. EMPLOYEES AND DIRECTORS**

	2021 £	2020 £
Wages and salaries	2,150,247	2,099,409
Social security costs	215,132	221,301
Other pension costs	<u>45,966</u>	<u>43,788</u>
	<u><u>2,411,345</u></u>	<u><u>2,364,498</u></u>

The average number of employees during the year was as follows:

	2021	2020
Director	1	1
Factory	49	47
Administration	<u>9</u>	<u>9</u>
	<u><u>59</u></u>	<u><u>57</u></u>

	2021 £	2020 £
Director's remuneration	<u><u>16,506</u></u>	<u><u>25,025</u></u>

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2020 - operating profit) is stated after charging:

	2021 £	2020 £
Other operating leases	3,454	13,740
Depreciation - owned assets	544,524	489,804
Patents and licences amortisation	6	6
Auditors' remuneration	12,500	10,000
Foreign exchange differences	<u><u>-</u></u>	<u><u>1,823</u></u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Bank interest paid	1,044	338
Hire purchase interest	10,728	11,830
Mortgage	<u>13,278</u>	<u>4,067</u>
	<u>25,050</u>	<u>16,235</u>

**7. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	(150,177)	(39,816)
Corporation tax adjust re prev	<u>(6)</u>	<u>(114,020)</u>
Total current tax	(150,183)	(153,836)
Deferred tax	<u>(6,092)</u>	<u>12,020</u>
Tax on (loss)/profit	<u>(156,275)</u>	<u>(141,816)</u>

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.  
The difference is explained below:

	2021	2020
	£	£
(Loss)/profit before tax	<u>(407,387)</u>	<u>488,971</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(77,404)	92,904
Effects of:		
Expenses not deductible for tax purposes	967	1,859
Capital allowances in excess of depreciation	(161,532)	(972)
Adjustments to tax charge in respect of previous periods	(6)	(114,020)
Research and development relief	(81,091)	(133,607)
Origination and reversal of timing differences	(6,092)	12,020
Tax losses carried forward	<u>168,883</u>	<u>-</u>
Total tax credit	<u>(156,275)</u>	<u>(141,816)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

8. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Final	<u>79,200</u>	<u>73,260</u>

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
<b>COST</b>	
At 1 September 2020 and 31 August 2021	<u>425</u>
<b>AMORTISATION</b>	
At 1 September 2020	368
Amortisation for year	<u>6</u>
At 31 August 2021	<u>374</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>51</u>
At 31 August 2020	<u>57</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Totals. £
<b>COST</b>					
At 1 September 2020	2,906,932	5,144,844	492,237	126,509	8,670,522
Additions	<u>38,580</u>	<u>1,286,542</u>	<u>20,185</u>	<u>-</u>	<u>1,345,307</u>
At 31 August 2021	<u>2,945,512</u>	<u>6,431,386</u>	<u>512,422</u>	<u>126,509</u>	<u>10,015,829</u>
<b>DEPRECIATION</b>					
At 1 September 2020	360,651	2,705,316	296,691	94,842	3,457,500
Charge for year	<u>58,653</u>	<u>446,978</u>	<u>30,976</u>	<u>7,917</u>	<u>544,524</u>
At 31 August 2021	<u>419,304</u>	<u>3,152,294</u>	<u>327,667</u>	<u>102,759</u>	<u>4,002,024</u>
<b>NET BOOK VALUE</b>					
At 31 August 2021	<u>2,526,208</u>	<u>3,279,092</u>	<u>184,755</u>	<u>23,750</u>	<u>6,013,805</u>
At 31 August 2020	<u>2,546,281</u>	<u>2,439,528</u>	<u>195,546</u>	<u>31,667</u>	<u>5,213,022</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

11. STOCKS

	2021 £	2020 £
Raw materials	<u>59,664</u>	<u>31,996</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,947,293	1,913,065
Other debtors	208	-
Tax	150,177	153,862
Prepayments and accrued income	<u>39,744</u>	<u>29,992</u>
	<u>2,137,422</u>	<u>2,096,919</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 15)	450,418	47,344
Hire purchase contracts (see note 16)	484,787	128,128
Trade creditors	505,088	478,816
Social security and other taxes	55,450	63,278
VAT	54,533	330,961
Other creditors	11,247	10,328
Shareholders account	26,061	7,078
Director's loan account	570	142
Accruals and deferred income	114,857	104,919
Deferred government grants	<u>97,798</u>	<u>115,057</u>
	<u>1,800,809</u>	<u>1,286,051</u>

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

	2021 £	2020 £
Bank loans (see note 15)	461,302	503,929
Hire purchase contracts (see note 16)	<u>737,165</u>	<u>82,081</u>
	<u>1,198,467</u>	<u>586,010</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**15. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	415,612	19,669
Bank loans	<u>34,806</u>	<u>27,675</u>
	<u>450,418</u>	<u>47,344</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>461,302</u>	<u>503,929</u>

**16. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	484,787	128,128
Between one and five years	<u>737,165</u>	<u>82,081</u>
	<u>1,221,952</u>	<u>210,209</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdrafts	415,612	19,669
Bank loans	496,108	531,604
Hire purchase contracts	<u>-</u>	<u>210,209</u>
	<u>911,720</u>	<u>761,482</u>

The bank overdraft is secured by personal guarantee.

The bank loan is secured by a fixed and floating charge over the company's assets.

The hire purchase contracts are secured over the assets concerned.

**18. PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Deferred tax	<u>347,299</u>	<u>353,391</u>

**Jhaidev Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021**

**18. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 September 2020	353,391
Credit to Income Statement during year	<u>(6,092)</u>
Balance at 31 August 2021	<u>347,299</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:	£1	£	£
330	Ordinary		<u>330</u>	<u>330</u>

**20. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 September 2020	5,261,586	661	5,262,247
Deficit for the year	(251,112)		(251,112)
Dividends	<u>(79,200)</u>		<u>(79,200)</u>
At 31 August 2021	<u>4,931,274</u>	<u>661</u>	<u>4,931,935</u>