

# J.M. Grail (General Engineers) Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2019

# **J.M. Grail (General Engineers) Limited**

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# J.M. Grail (General Engineers) Limited

(Registration number: 01716637)

## Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	549,757	619,173
Investments	<u>5</u>	1	1
		<u>549,758</u>	<u>619,174</u>
<b>Current assets</b>			
Stocks	<u>6</u>	101,211	49,960
Debtors	<u>7</u>	593,118	759,177
Cash at bank and in hand		<u>69,675</u>	<u>39,006</u>
		764,004	848,143
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	<u>(346,988)</u>	<u>(341,903)</u>
<b>Net current assets</b>		<u>417,016</u>	<u>506,240</u>
<b>Total assets less current liabilities</b>		966,774	1,125,414
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	(71,150)	(38,404)
<b>Provisions for liabilities</b>		<u>(7,227)</u>	<u>(28,983)</u>
<b>Net assets</b>		<u>888,397</u>	<u>1,058,027</u>
<b>Capital and reserves</b>			
Called up share capital		926,500	926,500
Profit and loss account		<u>(38,103)</u>	<u>131,527</u>
<b>Total equity</b>		<u>888,397</u>	<u>1,058,027</u>

# **J.M. Grail (General Engineers) Limited**

**(Registration number: 01716637)**

## **Balance Sheet as at 31 December 2019**

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### **Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17 July 2020 and signed on its behalf by:

.....

Mr R P Grail  
Director

# **J.M. Grail (General Engineers) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Gorse Bank  
High Street  
Drybrook  
Glos  
GL17 9EU

These financial statements were authorised for issue by the Board on 17 July 2020.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Exemption from preparing group accounts**

The company is part of a small group. The company has taken advantage of the exemption provided by Section 399 of the Companies Act 2006 and has not prepared group accounts.

#### **Going concern**

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, the directors have reviewed and stress tested projections and budgets for the next twelve months. Following this review, the directors consider there to be no significant impact on the Company's ability to continue as a going concern.

The directors have reviewed the supply chains, key customers and the capital resources available and consider that the company has adequate resources in place to continue trading for at least the next twelve months.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of engineering services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

the amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

# **J.M. Grail (General Engineers) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **Grant income**

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### **Tax**

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profits.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leaschold improvements	5% straight line
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% reducing balance

### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

## **J.M. Grail (General Engineers) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

# J.M. Grail (General Engineers) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 30 (2018 - 33).

### 4 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Plant and machinery £	Total £
<b>Cost</b>						
At 1 January 2019	312,085	196,416	137,737	95,933	995,475	1,737,646
Additions	-	169	-	1,175	8,871	10,215
Disposals	-	-	-	(67)	-	(67)
At 31 December 2019	312,085	196,585	137,737	97,041	1,004,346	1,747,794
<b>Depreciation</b>						
At 1 January 2019	38,616	176,733	85,985	48,414	768,725	1,118,473
Charge for the year	13,764	2,353	12,704	16,357	34,438	79,616
Eliminated on disposal	-	-	-	(52)	-	(52)
At 31 December 2019	52,380	179,086	98,689	64,719	803,163	1,198,037
<b>Carrying amount</b>						
At 31 December 2019	259,705	17,499	39,048	32,322	201,183	549,757
At 31 December 2018	273,469	19,683	51,752	47,519	226,750	619,173

Tangible fixed assets with a carrying amount of £67,468 (2018 - £83,856) have been pledged as a security for finance lease agreements.

### 5 Investments

	2019 £	2018 £
Investment in subsidiary	1	1



# J.M. Grail (General Engineers) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 6 Stocks

	2019 £	2018 £
Work in progress	76,211	24,960
Raw materials and consumables	25,000	25,000
	<u>101,211</u>	<u>49,960</u>

### 7 Debtors

	Note	2019 £	2018 £
Trade debtors		307,295	478,782
Amounts owed by group undertakings	<u>10</u>	235,882	250,149
Other debtors		37,793	12,579
Prepayments and accrued income		12,148	17,667
		<u>593,118</u>	<u>759,177</u>

### 8 Creditors

	Note	2019 £	2018 £
<b>Due within one year</b>			
Loans and borrowings	<u>9</u>	32,254	73,768
Trade creditors		121,777	180,345
Taxation and social security		59,026	40,788
Other creditors		7,337	10,479
Accruals and deferred income		126,594	36,523
		<u>346,988</u>	<u>341,903</u>
<b>Due after one year</b>			
Loans and borrowings	<u>9</u>	71,150	38,404

# **J.M. Grail (General Engineers) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **9 Loans and borrowings**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	50,000	-
Hire purchase contracts	21,150	38,404
	<u>71,150</u>	<u>38,404</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank borrowings	15,000	-
Bank overdrafts	-	56,514
Hire purchase contracts	17,254	17,254
	<u>32,254</u>	<u>73,768</u>

The finance lease liabilities are secured against tangible assets of the company, as disclosed in note 4.

### **10 Related party transactions**

#### **Transactions with directors**

	<b>At 1</b>	<b>Advances to</b>	<b>Repayments</b>	<b>At 31</b>
	<b>January</b>	<b>directors</b>	<b>by director</b>	<b>December</b>
<b>2019</b>	<b>2019</b>			<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Mr J M Grail</b>	3,094	23,113	(10,506)	15,701
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Mr R P Grail</b>	2,555	23,113	(10,506)	15,162
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Mr A Bendall</b>	3,465	-	-	3,465
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Mr J Russell</b>	3,465	-	-	3,465
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## J.M. Grail (General Engineers) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

	At 1 January 2018 £	Advances to directors £	Repayments by director £	At 31 December 2018 £
<b>2018</b>				
<b>Mr J M Grail</b>	2,410	13,089	(12,405)	3,094
<b>Mr R P Grail</b>	1,872	13,088	(12,405)	2,555
<b>Mr A Bendall</b>	3,123	4,342	(4,000)	3,465
<b>Mr J Russell</b>	3,123	4,342	(4,000)	3,465

#### Summary of transactions with subsidiaries

During the year the company continued to provide a loan to its subsidiary which is interest free and repayable on demand. At the balance sheet date the total amount due from the subsidiary company was £235,882 (2018: £250,149).

#### Summary of transactions with other related parties

During the year one of the directors continued to provide the business premises for £Nil consideration (2018 - £Nil).

#### 11 Non adjusting events after the financial period

The effects of the worldwide Covid-19 pandemic began impacting the UK from March 2020. This has resulted in a significant shut-down of both social and economic activity here and in many other countries around the globe.

This is an unprecedented global event and it is impossible to determine what the likely future impact will be on the company, the local and national economy or indeed, the wider global economy. The crisis gives rise to uncertainty in relation to future activity. This may impact on future company activities, but no adjustment is required in respect of the company's results to 31 December 2019.

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.