

Registered number: 01873018

Delron Services Limited

Unaudited

Financial statements

For the year ended 28 February 2019



Delron Services Limited
Registered number: 01873018

Balance sheet
As at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	525,997	510,573
Current assets			
Stocks	5	50,897	57,335
Debtors: amounts falling due after more than one year	6	30,250	28,250
Debtors: amounts falling due within one year	6	2,059,450	2,050,984
Cash at bank and in hand	7	476,233	81,852
		<u>2,616,830</u>	<u>2,218,421</u>
Creditors: amounts falling due within one year	8	(1,427,794)	(1,454,204)
Net current assets		<u>1,189,036</u>	<u>764,217</u>
Total assets less current liabilities		<u>1,715,033</u>	<u>1,274,790</u>
Creditors: amounts falling due after more than one year	9	(168,829)	(87,234)
Provisions for liabilities			
Deferred tax		(86,497)	(84,496)
Other provisions	11	(18,500)	-
		<u>(104,997)</u>	<u>(84,496)</u>
Net assets		<u><u>1,441,207</u></u>	<u><u>1,103,060</u></u>
Capital and reserves			
Called up share capital		306	306
Profit and loss account		<u>1,440,901</u>	<u>1,102,754</u>
		<u><u>1,441,207</u></u>	<u><u>1,103,060</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.

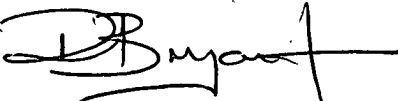
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Delron Services Limited
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Balance sheet (continued)
As at 28 February 2019

The company has opted not to file the statement of comprehensive income 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
19 June 2019

R P Bryant 
Director

The notes on pages 3 to 10 form part of these financial statements.

**Notes to the financial statements
For the year ended 28 February 2019**

1. General information

Delron Services Limited is a private company limited by shares and is incorporated in England with the registration number 01873018. The address of the registered office is 8 Viewpoint, Boxley Road, Penenden Heath, Maidstone, Kent ME14 2DZ.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Profits on long term contracts are calculated in accordance with the value of work carried out at the balance sheet date and where there is reasonable certainty that profits will be achieved on the contract as a whole. Profit on other contracts is only taken at the stage near enough to completion for that profit to be reasonably certain. Provision is made for all losses incurred to the accounting date together with any further losses that are foreseen in bringing contracts to completion.

**Notes to the financial statements
For the year ended 28 February 2019**

2. Accounting policies (continued)

2.3 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income 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 March 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of comprehensive income 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 the statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

**Notes to the financial statements
For the year ended 28 February 2019**

2. Accounting policies (continued)

2.8 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 comprehensive income 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.

2.9 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.

2.10 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.

2.11 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

**Notes to the financial statements
For the year ended 28 February 2019**

2. Accounting policies (continued)

2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis unless stated below.

The estimated useful lives range as follows:

Short-term leasehold property	- over the period of the lease, namely 10 years
Plant and equipment	- 25% on cost and 33% on cost
Motor vehicles	- 25% on written down value

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 comprehensive income.

2.14 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.

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.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, plant, labour and other direct expenses. Net realisable value is based on estimated sales value, less any further costs of realisation. For any contracts where receipts exceed the book value of work in progress, the excess is included in creditors as excess payments on account.

2.15 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 comprehensive income 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.

**Notes to the financial statements
For the year ended 28 February 2019**

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 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.

3. Employees

The average monthly number of employees, including directors, during the year was 83 (2018 - 84).

Notes to the financial statements
For the year ended 28 February 2019

4. Tangible fixed assets

	Short-term leasehold property £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2018	129,185	176,553	823,227	1,128,965
Additions	5,345	42,055	233,646	281,046
Disposals	-	(32,072)	(259,801)	(291,873)
At 28 February 2019	<u>134,530</u>	<u>186,536</u>	<u>797,072</u>	<u>1,118,138</u>
Depreciation				
At 1 March 2018	100,566	127,866	389,960	618,392
Charge for the year on owned assets	9,445	45,280	54,999	109,724
Charge for the year on financed assets	-	-	65,031	65,031
Disposals	-	(32,072)	(168,934)	(201,006)
At 28 February 2019	<u>110,011</u>	<u>141,074</u>	<u>341,056</u>	<u>592,141</u>
Net book value				
At 28 February 2019	<u>24,519</u>	<u>45,462</u>	<u>456,016</u>	<u>525,997</u>
At 28 February 2018	<u>28,619</u>	<u>48,687</u>	<u>433,267</u>	<u>510,573</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	<u>324,060</u>	<u>311,348</u>
	<u>324,060</u>	<u>311,348</u>

Delron Services Limited

Notes to the financial statements For the year ended 28 February 2019

5. Stocks

	2019 £	2018 £
Raw materials and consumables	1,590	3,800
Long term contract balances	49,307	53,535
	<u>50,897</u>	<u>57,335</u>

Long term contract balances consist of:

	2019 £	2018 £
Costs to date less provision for losses	49,307	53,535
	<u>49,307</u>	<u>53,535</u>

6. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	30,250	28,250
	<u>30,250</u>	<u>28,250</u>

	2019 £	2018 £
Due within one year		
Trade debtors	1,408,933	1,126,000
Other debtors	15,890	28,165
Prepayments and accrued income	122,742	131,110
Amounts recoverable on long term contracts	511,885	765,709
	<u>2,059,450</u>	<u>2,050,984</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	476,233	81,852
	<u>476,233</u>	<u>81,852</u>

Delron Services Limited

Notes to the financial statements For the year ended 28 February 2019

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Payments received on account	24,876	28,614
Trade creditors	627,215	758,709
Corporation tax	126,433	67,904
Other taxation and social security	232,268	239,356
Obligations under finance lease and hire purchase contracts	131,288	133,048
Other creditors	14,910	11,281
Accruals and deferred income	270,804	215,292
	<u>1,427,794</u>	<u>1,454,204</u>

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	168,829	87,234
	<u>168,829</u>	<u>87,234</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	131,288	133,048
Between 1-2 years	115,540	58,955
Between 2-5 years	53,290	28,279
	<u>300,118</u>	<u>220,282</u>

11. Provisions

	Dilapidations provision £
Charged to profit or loss	18,500
At 28 February 2019	<u><u>18,500</u></u>

Delron Services Limited

Notes to the financial statements For the year ended 28 February 2019

12. Controlling party

The controlling party of the company is DSL Group Holdings Limited, which is a company registered in England. R P Bryant is the ultimate controlling party by virtue of his shareholding in that company.