

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 March 2018
for
GRANT SERVICES LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2018

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GRANT SERVICES LIMITED

**Company Information
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS:

U B V Rees
B J Rees
S Tidder

SECRETARY:

S Tidder

REGISTERED OFFICE:

Unit 1 Brookside
Colne Way Industrial Estate
Watford
Hertfordshire
WD24 7QJ

REGISTERED NUMBER:

03110723 (England and Wales)

ACCOUNTANTS:

Diverset Limited
Chartered Accountants
Ferrari House
258 Field End Road
Ruislip
Middlesex
HA4 9UU

**Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of distribution and servicing of industrial and domestic vacuum cleaners and ancillary equipment.

REVIEW OF BUSINESS

Commencing mid 2016-17 following a strategic review, we have adopted and embarked on a business restructuring and development programme, with the original goal of increasing revenue from under £3million to £6million in 5 years, with a target of 10% net profit.

We have set up five independent divisions and two supporting departments and implemented a business wide IT platform to support the anticipated growth. This entailed substantial short-term costs and taking on additional administrative, and sales staff. It also required investing in new equipment/machines e.g. Hire machines, extra demonstration equipment, more stock of machines and parts.

A major overhaul of the sales, maintenance, parts and hire processes, as well as focus on sales prices and direct costs is expected (and has in fact begun to demonstrate) gross margin improvements, accelerating net profit margin growth.

The increases in overhead costs are most dramatic in 2017-18, with heavy IT implementation, consultancy and training costs. Future cost growth expected to be concentrated in direct engineers' costs, the Sales/IT/admin platform now has sufficient capacity and flexibility to handle the anticipated revenue growth.

Indeed, after the initial platform development period, through 2018-19 and onward, we anticipate efficiency driven reductions in administrative costs, both in absolute and relative terms.

Anticipated results (and outcome to date) for the initial 5 year plan period were :

Turnover Projected Profit before tax Outcome

2016-17 (baseline) £3336k Profit £40k
2017-18 £3500k Loss £100 to £150k Loss £98k
2018-19 £3750k Profit £100k £100k to £120k (annualised YTD)
2019-20 £5000k Profit £250k
2020-21 £6000k Profit £450k
2021-22 £6000k Profit £600k

We had not anticipated that increased investment in sales, product and systems would lead to increasing quality and scale of enquiries and contracts. Based on very recent contract wins and pipeline of proposal, excluded from the above, we have reason to believe that there is potential for our turnover to reach £10million.

DIRECTORS

The directors during the year under review were:

U B V Rees
B J Rees
S Tidder

The beneficial interests of the directors holding office on 31 March 2018 in the issued share capital of the company were as follows:

	31.3.18	1.4.17
Ordinary £1 shares		
U B V Rees	-	-
B J Rees	50	50
S Tidder	50	50

**Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

B J Rees - Director

13 August 2018

Balance Sheet
31 MARCH 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	4		348,989		296,648
CURRENT ASSETS					
Stocks		568,807		463,898	
Debtors	5	765,256		762,428	
Cash at bank and in hand		<u>20,655</u>		<u>74,326</u>	
		1,354,718		1,300,652	
CREDITORS					
Amounts falling due within one year	6	<u>1,328,871</u>		<u>1,124,992</u>	
NET CURRENT ASSETS			<u>25,847</u>		<u>175,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>374,836</u>		<u>472,308</u>
CREDITORS					
Amounts falling due after more than one year	7		(242,941)		(225,774)
PROVISIONS FOR LIABILITIES			<u>(21,113)</u>		<u>(28,412)</u>
NET ASSETS			<u>110,782</u>		<u>218,122</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>110,682</u>		<u>218,022</u>
SHAREHOLDERS' FUNDS			<u>110,782</u>		<u>218,122</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and
- (b) which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 13 August 2018 and were signed on its behalf by:

B J Rees - Director

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2018

1. **STATUTORY INFORMATION**

Grant Services 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 the provisions of Section 1A "Small Entities" of 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.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over the lease period
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 33% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Stocks

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

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 36 (2017 - 30).

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2018

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2017	223,583	618,338	841,921
Additions	27,694	100,821	128,515
Disposals	-	(55,517)	(55,517)
At 31 March 2018	<u>251,277</u>	<u>663,642</u>	<u>914,919</u>
DEPRECIATION			
At 1 April 2017	163,538	381,735	545,273
Charge for year	15,000	36,526	51,526
Eliminated on disposal	-	(30,869)	(30,869)
At 31 March 2018	<u>178,538</u>	<u>387,392</u>	<u>565,930</u>
NET BOOK VALUE			
At 31 March 2018	<u>72,739</u>	<u>276,250</u>	<u>348,989</u>
At 31 March 2017	<u>60,045</u>	<u>236,603</u>	<u>296,648</u>

Included within plant and machinery there are assets held under finance leases and HP agreements that have a net book value of £8,130 (2017: £22,198). Assets held under finance leases and HP agreements have a depreciation charge of £3,362 (2017: £14,011) in the company's profit and loss account.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	702,302	697,322
Other debtors	62,954	65,106
	<u>765,256</u>	<u>762,428</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	530,567	397,845
Hire purchase contracts	7,842	13,786
Trade creditors	604,195	545,554
Taxation and social security	100,025	135,143
Other creditors	86,242	32,664
	<u>1,328,871</u>	<u>1,124,992</u>

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

	2018 £	2017 £
Bank loans	238,252	217,362
Hire purchase contracts	4,689	8,412
	<u>242,941</u>	<u>225,774</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2018

8. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	450,419	338,605
Bank loans	318,400	276,602
Hire purchase contracts	12,531	22,198
	<u>781,350</u>	<u>637,405</u>

The Invoice discounters advance is secured against the debtors.

The HP liabilities are secured against the assets to which they relate.

The bank overdraft and loan accounts are secured by personal guarantee of B Rees and S Tidder.

9. CONTROLLING PARTY

The company is controlled by B Rees and S Tidder, each being 50% shareholders.

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.