

J & M Machining Services Limited

Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 30 November 2020

J & M Machining Services Limited

Contents

Balance Sheet	<u>1</u> to <u>2</u>
Notes to the Unaudited Financial Statements	<u>3</u> to <u>9</u>

J & M Machining Services Limited
(Registration number: 4578796)
Balance Sheet as at 30 November 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	3,000	4,500
Tangible assets	<u>5</u>	359,984	188,317
		<u>362,984</u>	<u>192,817</u>
Current assets			
Stocks	<u>6</u>	4,000	4,000
Debtors	<u>7</u>	237,780	338,324
Cash at bank and in hand		124,552	94,554
		366,332	436,878
Creditors: Amounts falling due within one year	<u>8</u>	(354,980)	(401,329)
Net current assets		11,352	35,549
Total assets less current liabilities		374,336	228,366
Creditors: Amounts falling due after more than one year	<u>8</u>	(167,721)	-
Provisions for liabilities		(16,142)	(9,383)
Net assets		<u>190,473</u>	<u>218,983</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		190,373	218,883
Shareholders' funds		<u>190,473</u>	<u>218,983</u>

For the financial year ending 30 November 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his 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.

J & M Machining Services Limited
(Registration number: 4578796)
Balance Sheet as at 30 November 2020

Approved and authorised by the director on 23 August 2021

Mr M Hotham
Director

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

1 General information

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

These financial statements were authorised for issue by the director on 23 August 2021

The address of its registered office is:

J&M Machining services Ltd
Sunningdale road
Scunthorpe
North Lincolnshire
DN17 2TY

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/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.

Tax

The tax expense for the period comprises current and 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.

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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:

Asset class	Depreciation method and rate
Freehold property	4% straight line
Motor vehicles	25% reducing balance
Plant and equipment	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	over 20 years

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.

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or 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.

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 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

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 the director) during the year was 5 (2019 - 4).

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 December 2019	30,000	30,000
At 30 November 2020	30,000	30,000
Amortisation		
At 1 December 2019	25,500	25,500
Amortisation charge	1,500	1,500
At 30 November 2020	27,000	27,000
Carrying amount		
At 30 November 2020	3,000	3,000
At 30 November 2019	4,500	4,500

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 December 2019	179,663	103,288	28,641	311,592
Additions	219,794	9,070	28,065	256,929
Disposals	(101,829)	(4,961)	-	(106,790)
At 30 November 2020	297,628	107,397	56,706	461,731
Depreciation				
At 1 December 2019	40,730	64,802	17,743	123,275
Charge for the year	11,533	6,742	4,472	22,747
Eliminated on disposal	(40,730)	(3,545)	-	(44,275)
At 30 November 2020	11,533	67,999	22,215	101,747
Carrying amount				
At 30 November 2020	286,095	39,398	34,491	359,984
At 30 November 2019	138,933	38,486	10,898	188,317

Included within the net book value of land and buildings above is £286,095 (2019 - £138,933) in respect of freehold land and buildings.

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

6 Stocks

	2020 £	2019 £
Other inventories	4,000	4,000

7 Debtors

	2020 £	2019 £
Trade debtors	234,799	335,042
Other debtors	2,981	3,282
Total current trade and other debtors	237,780	338,324

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	10	3,914	-
Trade creditors		211,332	265,078
Amounts due to related parties		7,975	774
Taxation and social security		30,053	58,591
Other creditors		101,706	76,886
		354,980	401,329
Due after one year			
Loans and borrowings	10	167,721	-

Creditors include bank loans and overdrafts which are secured of £3,914 (2019 - £nil). These loans are secured upon the land and buildings.

J & M Machining Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2020

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	10	167,721	-
		2020 £	2019 £
Due after more than five years			
After more than five years by instalments		149,665	-

Creditors include bank loans which are secured of £167,721 (2019 - £nil). These loans are secured upon the land and buildings.

Creditors include bank loans repayable by instalments of £149,665 (2019 - £nil) due after more than five years.

9 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

10 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	167,721	-
	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	3,914	-

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.