

VWG MECHANICAL LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MAY 2019

**VWG MECHANICAL LIMITED**  
**REGISTERED NUMBER: 08407489**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2019**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	4	<b>90,942</b>	81,287
		<hr/>	<hr/>
		<b>90,942</b>	81,287
<b>Current assets</b>			
Stocks	5	<b>10,000</b>	10,000
Debtors: amounts falling due within one year	6	<b>712,825</b>	785,045
		<hr/>	<hr/>
		<b>722,825</b>	795,045
Creditors: amounts falling due within one year	7	<b>(565,228)</b>	(634,730)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>157,597</b>	160,315
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>248,539</b>	241,602
Creditors: amounts falling due after more than one year	8	<b>(130,838)</b>	(23,183)
<b>Provisions for liabilities</b>			
Deferred tax	11	<b>(15,000)</b>	(15,000)
		<hr/>	<hr/>
		<b>(15,000)</b>	(15,000)
		<hr/>	<hr/>
<b>Net assets</b>		<b>102,701</b>	203,419
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	12	<b>100</b>	100
Profit and loss account		<b>102,601</b>	203,319
		<hr/>	<hr/>
		<b>102,701</b>	203,419
		<hr/>	<hr/>

**VWG MECHANICAL LIMITED**  
**REGISTERED NUMBER: 08407489**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2019**

The director considers 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 the Companies Act 2006.

The director acknowledges his 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.

The Company has opted not to file the profit and loss account 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 by:

**C D J Dooling**

Director

Date: 20 February 2020

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

**1. General information**

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. It trades from its registered office address at Wyngarth, Langley Avenue, Bingley, BD16 4ET.

The principal activity of the company is the provision of mechanical engineering services.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

**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 Going concern**

The financial statements have been prepared on the going concern basis which assumes the continuing support of the company's director, shareholders and creditors.

**2.3 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.

**2.4 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 16.67% straight line
---------------------	------------------------

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 income and retained earnings.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings 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 June 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.6 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 income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.8 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

**2. Accounting policies (continued)**

**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 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.

**2.11 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at 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.

**2.12 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 reporting 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 Statement of financial position 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 reporting date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 13 (2018 - 13).

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

4. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 June 2018	107,715
Additions	33,240
Disposals	(16,080)
	<hr/>
At 31 May 2019	124,875
	<hr/>
<b>Depreciation</b>	
At 1 June 2018	26,428
Charge for the year on owned assets	770
Charge for the year on financed assets	18,125
Disposals	(11,390)
	<hr/>
At 31 May 2019	33,933
	<hr/>
<b>Net book value</b>	
At 31 May 2019	<u>90,942</u>
<b>At 31 May 2018</b>	<u>81,287</u>

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

4. Tangible fixed assets (continued)

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

	2019 £	2018 £
Plant and machinery	89,267	78,841
	<u>89,267</u>	<u>78,841</u>

5. Stocks

	2019 £	2018 £
Raw materials	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

6. Debtors

	2019 £	2018 £
Trade debtors	407,823	571,241
Other debtors	-	19,893
Amounts recoverable on contracts	305,002	193,911
	<u>712,825</u>	<u>785,045</u>

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	4,067	54,270
Other loans	60,574	-
Trade creditors	152,358	443,253
Corporation tax	10,464	29,426
Other taxation and social security	15,025	40,726
Obligations under finance lease and hire purchase contracts	24,982	20,615
Other creditors	297,758	46,440
	<u>565,228</u>	<u>634,730</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2019 £	2018 £
Bank overdrafts	4,067	54,270
Hire purchase agreements	24,982	20,615
Other loans	60,574	-
	<u>89,623</u>	<u>74,885</u>

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

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

	2019 £	2018 £
Other loans	108,779	-
Net obligations under finance leases and hire purchase contracts	22,059	23,183
	<u>130,838</u>	<u>23,183</u>

The following liabilities were secured:

	2019 £	2018 £
Other loans	108,779	-
Hire purchase agreements	22,059	23,183
	<u>130,838</u>	<u>23,183</u>

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Other loans	60,574	-
	<u>60,574</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>		
Other loans	54,013	-
	<u>54,013</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>		
Other loans	54,767	-
	<u>54,767</u>	<u>-</u>
	<u>169,354</u>	<u>-</u>

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	24,983	20,615
Between 1-5 years	22,059	23,183
	<u>47,042</u>	<u>43,798</u>

11. Deferred taxation

	2019 £	2018 £
At beginning of year	15,000	7,000
Charged to profit or loss	-	8,000
<b>At end of year</b>	<u>15,000</u>	<u>15,000</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

12. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
85 (2018 - 95) Ordinary 'A' shares of £1.00 each	85	95
5 (2018 - 5) Ordinary 'B' shares of £1.00 each	5	5
5 (2018 - Nil) Ordinary 'C' shares of £1.00 each	5	-
5 (2018 - Nil) Ordinary 'D' shares of £1.00 each	5	-
	<u>100</u>	<u>100</u>

On 28 March 2019, 10 Ordinary A shares of £1 each were redesignated into 5 Ordinary C Shares of £1 each and 5 Ordinary D Shares of £1 each.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

**13. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,614 (2018 - £15,060).

**14. Related party transactions**

Included in creditors, amounts falling due within one year, is an amount of £97,239 (2018: £19,893 debtor) due to P C & M Dooling, father of C D J Dooling. The loan is interest free and repayable on demand.

Included in creditors, amounts falling due within one year, is an amount of £11,944 (2018: £19,238) due to C D J Dooling. The loan is interest free and repayable on demand.

Included in creditors, amounts falling due within one year, is an amount of £60,386 (2018: £3,533) due to S Lunn, sister of C D J Dooling. The loan is interest free and repayable on demand.

Included in creditors, amounts falling due within one year, are other family loans amounting to £105,000 (2018 - £Nil). The loans are interest free and repayable on demand.

**15. Controlling party**

The company was under the control of C D J Dooling throughout the period.

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.