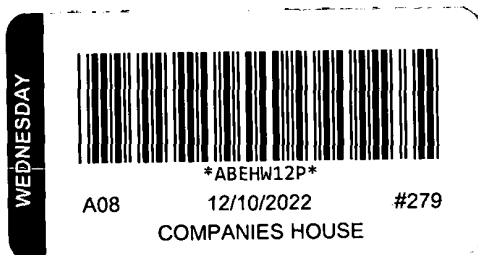


VWG MECHANICAL LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MAY 2022



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

VWG MECHANICAL LIMITED
REGISTERED NUMBER: 08407489

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	340,889	116,353
		<u>340,889</u>	<u>116,353</u>
Current assets			
Stocks	6	10,000	10,000
Debtors: amounts falling due within one year	7	1,530,749	729,280
Cash at bank and in hand	8	352,955	362,921
		<u>1,893,704</u>	<u>1,102,201</u>
Creditors: amounts falling due within one year	9	(1,440,074)	(487,862)
Net current assets		<u>453,630</u>	<u>614,339</u>
Total assets less current liabilities		<u>794,519</u>	<u>730,692</u>
Creditors: amounts falling due after more than one year	10	(339,440)	(407,760)
Provisions for liabilities			
Deferred tax	13	(54,500)	(22,000)
		<u>(54,500)</u>	<u>(22,000)</u>
Net assets		<u>400,579</u>	<u>300,932</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		400,479	300,832
		<u>400,579</u>	<u>300,932</u>

VWG MECHANICAL LIMITED
REGISTERED NUMBER: 08407489

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2022

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 period 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 statement of income and retained earnings 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: 10/10/2022

The notes on pages 3 to 13 form part of these financial statements.

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022

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 Oak House, Ash Terrace, Bingley, BD16 1HB.

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 judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. The company continues to have the support of the directors, shareholders and creditors and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022

2. Accounting policies (continued)

2.5 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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 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 profit or loss 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.

2.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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.

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022

2. Accounting policies (continued)

2.9 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.

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:

Leasehold Property improvement	- 10 years straight line
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 profit or loss.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022

2. Accounting policies (continued)

2.14 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.15 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. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results.

Management estimate the stage of completion of long term contracts by comparing actual costs incurred to forecasts, relying on their past experience and expertise to ensure those estimates are accurate.

4. Employees

The average monthly number of employees, including directors, during the period was 16 (2021 - 13).

VWG MECHANICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022**

5. Tangible fixed assets

	Plant and machinery £	Leasehold Property improvement £	Total £
Cost or valuation			
At 1 June 2021	176,251	-	176,251
Additions	169,510	99,134	268,644
Disposals	(35,897)	-	(35,897)
At 31 May 2022	<u>309,864</u>	<u>99,134</u>	<u>408,998</u>
Depreciation			
At 1 June 2021	59,898	-	59,898
Charge for the period on owned assets	10,466	-	10,466
Charge for the period on financed assets	26,927	-	26,927
Disposals	(29,182)	-	(29,182)
At 31 May 2022	<u>68,109</u>	<u>-</u>	<u>68,109</u>
Net book value			
At 31 May 2022	<u>241,755</u>	<u>99,134</u>	<u>340,889</u>
At 31 May 2021	<u>116,352</u>	<u>-</u>	<u>116,352</u>

VWG MECHANICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022**

5. Tangible fixed assets (continued)

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

	2022 £	2021 £
Plant and machinery	159,717	107,850
	<u>159,717</u>	<u>107,850</u>

6. Stocks

	2022 £	2021 £
Raw materials and consumables	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

7. Debtors

	2022 £	2021 £
Trade debtors	980,795	484,980
Amounts owed by group undertakings	246,970	-
Other debtors	7,984	3,800
Amounts recoverable on long term contracts	295,000	240,500
	<u>1,530,749</u>	<u>729,280</u>

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	352,955	362,921
	<u>352,955</u>	<u>362,921</u>

VWG MECHANICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022**

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	106,756	90,089
Trade creditors	829,187	106,023
Amounts owed to related entities	77,545	-
Corporation tax	-	4,999
Other taxation and social security	183,495	35,034
Obligations under finance lease and hire purchase contracts	37,882	23,691
Other creditors	191,302	214,119
Accruals and deferred income	13,907	13,907
	<u>1,440,074</u>	<u>487,862</u>

The following liabilities were secured:

	2022 £	2021 £
Obligations under finance lease and hire purchase contracts	37,882	23,691
Other loans	106,756	90,089
	<u>144,638</u>	<u>113,780</u>

VWG MECHANICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022**

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

	2022 £	2021 £
Other loans	254,867	365,786
Net obligations under finance leases and hire purchase contracts	84,573	41,974
	<u>339,440</u>	<u>407,760</u>

The following liabilities were secured:

	2022 £	2021 £
Other loans	254,867	365,786
Net obligations under finance leases and hire purchase contracts	84,573	41,974
	<u>339,440</u>	<u>407,760</u>

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	106,756	90,089
	<u>106,756</u>	<u>90,089</u>
Amounts falling due 1-2 years		
Other loans	97,922	106,756
	<u>97,922</u>	<u>106,756</u>
Amounts falling due 2-5 years		
Other loans	156,945	242,367
	<u>156,945</u>	<u>242,367</u>
Amounts falling due after more than 5 years		
Other loans	-	16,663
	<u>-</u>	<u>16,663</u>
	<u>361,623</u>	<u>455,875</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	37,882	23,691
Between 1-5 years	84,573	41,974
	<u>122,455</u>	<u>65,665</u>

VWG MECHANICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2022**

13. Deferred taxation

	2022 £	2021 £
At beginning of year	22,000	15,000
Charged to profit or loss	32,500	7,000
At end of year	54,500	22,000

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	54,500	22,000

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
85 (2021 - 85) Ordinary 'A' shares of £1.00 each	85	85
5 (2021 - 5) Ordinary 'B' shares of £1.00 each	5	5
5 (2021 - 5) Ordinary 'C' shares of £1.00 each	5	5
5 (2021 - 5) Ordinary 'D' shares of £1.00 each	5	5
	100	100

15. 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 £55,241 (2021 - £32,685).

VWG MECHANICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2022

16. Related party transactions

Included in creditors, amounts falling due within one year, is an amount of £300 (2021 - £41,434) due to P C & M Dooling, shareholders in the company. The loan is interest free and repayable on demand.

Included in creditors, amounts falling due within one year, is an amount of £1,085 (2021 - £605) 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 £82,634 (2021 - £67,080) due to S Lunn, a shareholder in the company. The loan is interest free and repayable on demand.

Included in debtors, amounts falling due within one year, is an amount of £2,000 (2021 - £Nil) due from D Moules. 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 (2021 - £105,000). The loans are interest free and repayable on demand.

Included in debtors, amounts falling due within one year, is an amount of £246,970 due from VWG Asset Management Limited, a company with common directors. The loan is interest free and repayable on demand.

Included in creditors, amounts falling due within one year, is an amount of £77,545 due to Dooling Property Partnership, in which C D J Dooling is a partner. The loan is interest free and repayable on demand.

17. Controlling party

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