

Hendry Electrical Contractors Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

Hendry Electrical Contractors Limited

Contents

| | |
|---|---------------|
| Company Information | <u>1</u> |
| Balance Sheet | <u>2</u> |
| Statement of Changes in Equity | <u>3</u> |
| Notes to the Unaudited Financial Statements | <u>4 to 9</u> |

Hendry Electrical Contractors Limited

Company Information

| | |
|--------------------------|--|
| Directors | D L Hendry M Hendry N Hendry E Hendry S L Godfrey |
| Registered office | Holton Business Park Holton le Clay Grimsby North East Lincolnshire DN36 5EE |
| Bankers | Barclays Bank plc Grimsby 35 Victoria Street Grimsby N E Lincolnshire North East Lincolnshire DN31 1DE |

Hendry Electrical Contractors Limited

(Registration number: 02661930)

Balance Sheet as at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|----------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 109,579 | 90,175 |
| Investment property | <u>5</u> | 150,000 | 150,000 |
| | | <u>259,579</u> | <u>240,175</u> |
| Current assets | | | |
| Stocks | <u>6</u> | 1,586,352 | 1,495,935 |
| Debtors | <u>7</u> | 803,541 | 1,474,617 |
| Cash at bank and in hand | | 768 | 29,045 |
| | | <u>2,390,661</u> | <u>2,999,597</u> |
| Creditors: Amounts falling due within one year | <u>8</u> | <u>(1,532,062)</u> | <u>(2,016,979)</u> |
| Net current assets | | <u>858,599</u> | <u>982,618</u> |
| Total assets less current liabilities | | <u>1,118,178</u> | <u>1,222,793</u> |
| Creditors: Amounts falling due after more than one year | <u>8</u> | <u>(66,089)</u> | <u>(99,531)</u> |
| Provisions for liabilities | | <u>(11,730)</u> | <u>(12,068)</u> |
| Net assets | | <u>1,040,359</u> | <u>1,111,194</u> |
| Capital and reserves | | | |
| Called up share capital | <u>9</u> | 100 | 100 |
| Profit and loss account | | <u>1,040,259</u> | <u>1,111,094</u> |
| Shareholders' funds | | <u>1,040,359</u> | <u>1,111,194</u> |

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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 directors acknowledge their 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.

Approved and authorised by the Board on 21 October 2020 and signed on its behalf by:

.....

Hendry Electrical Contractors Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

| | Share capital | Profit and loss account | Total |
|----------------------------|---------------|----------------------------|-----------|
| | £ | £ | £ |
| At 1 January 2019 | 100 | 1,111,162 | 1,111,262 |
| Profit for the year | - | 143,430 | 143,430 |
| Total comprehensive income | - | 143,430 | 143,430 |
| Dividends | - | (214,333) | (214,333) |
| At 31 December 2019 | 100 | 1,040,259 | 1,040,359 |
| | Share capital | Profit and loss account | Total |
| | £ | £ | £ |
| At 1 January 2018 | 100 | 1,102,306 | 1,102,406 |
| Profit for the year | - | 223,121 | 223,121 |
| Total comprehensive income | - | 223,121 | 223,121 |
| Dividends | - | (214,333) | (214,333) |
| At 31 December 2018 | 100 | 1,111,094 | 1,111,194 |

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital incorporated in England and Wales and the company registration number is 02661930.

The address of its registered office is:

Holton Business Park
Holton le Clay
Grimsby
North East Lincolnshire
DN36 5EE

These financial statements were authorised for issue by the Board on 21 October 2020.

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.

The financial statements have been prepared in pounds sterling and have been rounded to the nearest £1.

The financial statements represent Hendry Electrical Contractors Limited as an individual entity, the company not forming part of a group.

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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Tangible assets

Tangible assets are stated in the statement of financial position 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 |
|------------------------|---|
| Leasehold improvements | 20% per annum on a straight line basis |
| Plant and machinery | 15% per annum on a reducing balance basis |
| Fixtures and fittings | 25% per annum on a reducing balance basis |
| Motor vehicles | 25% per annum on a reducing balance basis |
| Computer equipment | 33% per annum on a straight line basis |

Investment property

Certain of the company's properties are held for long-term investment. Investment properties are accounted for, as follows:

No depreciation is provided in respect of investment properties and they are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

The treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

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.

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 32 (2018 - 27).

4 Tangible assets

| | Land and buildings £ | Furniture, fittings and equipment £ | Motor vehicles £ | Total £ |
|--------------------------|----------------------------|--|---------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 61,343 | 123,006 | 56,850 | 241,199 |
| Additions | - | 18,387 | 32,715 | 51,102 |
| Disposals | - | - | (10,974) | (10,974) |
| At 31 December 2019 | 61,343 | 141,393 | 78,591 | 281,327 |
| Depreciation | | | | |
| At 1 January 2019 | 61,343 | 74,775 | 14,906 | 151,024 |
| Charge for the year | - | 11,066 | 11,217 | 22,283 |
| Eliminated on disposal | - | - | (1,559) | (1,559) |
| At 31 December 2019 | 61,343 | 85,841 | 24,564 | 171,748 |
| Carrying amount | | | | |
| At 31 December 2019 | - | 55,552 | 54,027 | 109,579 |
| At 31 December 2018 | - | 48,231 | 41,944 | 90,175 |

5 Investment properties

| | |
|--------------|-----------|
| | 2019 £ |
| At 1 January | 150,000 |

At 31 December

150,000

The investment property is included at a value agreed by the directors

There has been no valuation of investment property by an independent valuer.

Page 6

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

6 Stocks

| | 2019 £ | 2018 £ |
|-------------------|------------------|------------------|
| Work in progress | 1,479,172 | 1,376,134 |
| Other inventories | 107,180 | 119,801 |
| | <u>1,586,352</u> | <u>1,495,935</u> |

7 Debtors

| | 2019 £ | 2018 £ |
|---------------------------------------|----------------|------------------|
| Trade debtors | 266,939 | 829,435 |
| Other debtors | 447,637 | 553,331 |
| Prepayments and accrued income | 88,965 | 91,851 |
| Total current trade and other debtors | <u>803,541</u> | <u>1,474,617</u> |

8 Creditors

Creditors: amounts falling due within one year

| | Note | 2019 £ | 2018 £ |
|------------------------------|-----------|------------------|------------------|
| Due within one year | | | |
| Bank loans and overdrafts | <u>10</u> | 180,749 | 51,777 |
| Trade creditors | | 913,949 | 1,533,910 |
| Taxation and social security | | 311,836 | 268,322 |
| Other creditors | | 4,619 | 141,670 |
| Accruals and deferred income | | 120,909 | 21,300 |
| | | <u>1,532,062</u> | <u>2,016,979</u> |

Due after one year

| | | | |
|----------------------|-----------|---------------|---------------|
| Loans and borrowings | <u>10</u> | <u>66,089</u> | <u>99,531</u> |
|----------------------|-----------|---------------|---------------|

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £180,749 (2018 - £51,777).

Creditors: amounts falling due after more than one year

| | Note | 2019 £ | 2018 £ |
|---------------------------|-----------|---------------|---------------|
| Due after one year | | | |
| Loans and borrowings | <u>10</u> | <u>66,089</u> | <u>99,531</u> |

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
|--|-----------|-----------|

Due after more than five years

| | | |
|--|----------|----------|
| | <u>-</u> | <u>-</u> |
|--|----------|----------|

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

9 Share capital

Allotted, called up and fully paid shares

| | 2019 | | 2018 | |
|----------------------------|------|-----|------|-----|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

10 Loans and borrowings

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Non-current loans and borrowings | | |
| Bank borrowings | 25,240 | 76,391 |
| Hire purchase contracts | 40,849 | 23,140 |
| | <u>66,089</u> | <u>99,531</u> |

| | 2019 £ | 2018 £ |
|-------------------------------------|----------------|---------------|
| Current loans and borrowings | | |
| Bank borrowings | 49,317 | 47,318 |
| Bank overdrafts | 123,390 | - |
| Hire purchase contracts | 8,042 | 4,459 |
| Other borrowings | - | 4,927 |
| | <u>180,749</u> | <u>56,704</u> |

11 Dividends

Interim dividends paid

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Interim dividend of £2,143 per each Ordinary shares | 214,333 | 214,333 |

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £46,503 (2018 - £40,177).

13 Related party transactions

Transactions with directors

Hendry Electrical Contractors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

| | At 1 January 2019 £ | Advances to directors £ | Repayments by director £ | At 31 December 2019 £ |
|--|------------------------------|----------------------------------|--------------------------------|--------------------------------|
| 2019 | | | | |
| D L Hendry | | | | |
| Loan - interest charged at official rates set by H.M. Revenue & Customs | 390,172 | 43,883 | (165,510) | 268,545 |

| | | | | |
|---|---|--------|----------|-------|
| M Hendry | | | | |
| Loan - interest charged at official rate set by H.M. Revenue & Customs | - | 26,278 | (19,860) | 6,418 |

| | At 1 January 2018 £ | Advances to directors £ | Repayments by director £ | At 31 December 2018 £ |
|--|------------------------------|----------------------------------|--------------------------------|--------------------------------|
| 2018 | | | | |
| D L Hendry | | | | |
| Loan - interest charged at official rates set by H.M. Revenue & Customs | 499,869 | 40,280 | (149,977) | 390,172 |

| | | | | |
|---|-------|---|---------|---|
| M Hendry | | | | |
| Loan - interest charged at official rate set by H.M. Revenue & Customs | 2,832 | - | (2,832) | - |

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