

**J Freeley Limited**  
**Filleted Financial Statements**  
**31 May 2018**



**ALEXANDER KNIGHT & CO LIMITED**

Chartered Accountants & Statutory Auditor

Westgate House

44 Hale Road

Hale

Altrincham

Cheshire

WA14 2EX

**J Freeley Limited**  
**Financial Statements**  
**Year ended 31 May 2018**

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# **J Freeley Limited**

## **Officers and Professional Advisers**

### **The board of directors**

J Freeley  
A Freeley  
M T Freeley  
S P Freeley

### **Company secretary**

A Freeley

### **Registered office**

14 Southern Street  
Worsley  
Manchester  
M28 3QN

### **Auditor**

Alexander Knight & Co Limited  
Chartered Accountants & Statutory Auditor  
Westgate House  
44 Hale Road  
Hale  
Altrincham  
Cheshire  
WA14 2EX

### **Bankers**

The Royal Bank of Scotland  
38 Mosely Street  
Manchester  
M2 3AZ

### **Solicitors**

Chafes Hague Lambert LLP  
32 London Road  
Alderley Edge  
Cheshire  
SK9 7DZ

**J Freeley Limited**  
**Statement of Financial Position**  
**31 May 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	714,238	700,444
<b>Current assets</b>			
Stocks		12,650	16,550
Debtors	6	834,619	232,155
Cash at bank and in hand		223,496	165,192
		<u>1,070,765</u>	<u>413,897</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>720,567</u>	<u>465,452</u>
<b>Net current assets/(liabilities)</b>		<u>350,198</u>	<u>(51,555)</u>
<b>Total assets less current liabilities</b>		<u>1,064,436</u>	<u>648,889</u>
<b>Creditors: amounts falling due after more than one year</b>	8	71,264	148,672
<b>Provisions</b>			
Taxation including deferred tax		129,552	122,313
<b>Net assets</b>		<u>863,620</u>	<u>377,904</u>
<b>Capital and reserves</b>			
Called up share capital		10,000	10,000
Profit and loss account		853,620	367,904
<b>Shareholders funds</b>		<u>863,620</u>	<u>377,904</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.  
The notes on pages 4 to 10 form part of these financial statements.

# J Freeley Limited

## Statement of Financial Position *(continued)*

31 May 2018

These financial statements were approved by the board of directors and authorised for issue on 15/1/19,  
and are signed on behalf of the board by:



J Freeley  
Director

Company registration number: 01719179

The notes on pages 4 to 10 form part of these financial statements.

# **J Freeley Limited**

## **Notes to the Financial Statements**

**Year ended 31 May 2018**

**1. General information**

The company is a private company limited by shares, registered in England and Wales (company number 01719179). The address of the registered office is 14 Southern Street, Worsley, Manchester, M28 3QN.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

# **J Freeley Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 May 2018**

### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements

Management do not feel that there are any judgements (apart from those involving estimations) that have been made in the process of applying the entity's accounting policies which have a significant effect on the amounts recognised in the financial statements.

### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### **Estimated useful life and residual value of fixed assets**

Depreciation of tangible fixed assets have been based on the estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives and residual values, as evidenced by disposals during current and prior accounting periods.

#### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade debtors. When assessing the impairment of trade debtors, management include factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

#### **Accrued income and amounts recoverable on contract.**

The company accrues income for contracts where work has been undertaken, but not yet invoiced. In calculating the value of income to include, the company considers the level of work certified to date, together with work undertaken subsequent to the latest certification.

### **Revenue recognition**

The turnover shown in the profit and loss account represents the invoice value of goods and services supplied during the year, exclusive of Value Added Tax.

### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# **J Freeley Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 May 2018**

### **3. Accounting policies** *(continued)*

#### **Taxation** *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Property Improvements	-	10% straight line
Plant & Machinery	-	15 % to 33% reducing balance
Furniture & Fixtures	-	25% reducing balance
Motor Vehicles	-	25% reducing balance

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

# **J Freeley Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 May 2018**

### **3. Accounting policies** *(continued)*

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# **J Freeley Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 May 2018**

### **3. Accounting policies** *(continued)*

#### **Financial instruments**

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest method.

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 payment is due within one year or less. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Employee benefits**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### **4. Particulars of employees**

The average number of persons employed by the company during the year amounted to 16 (2017: 13).

# J Freeley Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 May 2018

#### 5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2017	11,927	755,253	2,576	254,030	1,023,786
Additions	—	91,714	—	95,444	187,158
Disposals	—	(31,250)	—	(52,700)	(83,950)
<b>At 31 May 2018</b>	<u>11,927</u>	<u>815,717</u>	<u>2,576</u>	<u>296,774</u>	<u>1,126,994</u>
<b>Depreciation</b>					
At 1 June 2017	1,193	249,958	552	71,639	323,342
Charge for the year	1,192	83,343	506	49,529	134,570
Disposals	—	(20,372)	—	(24,784)	(45,156)
<b>At 31 May 2018</b>	<u>2,385</u>	<u>312,929</u>	<u>1,058</u>	<u>96,384</u>	<u>412,756</u>
<b>Carrying amount</b>					
<b>At 31 May 2018</b>	<u>9,542</u>	<u>502,788</u>	<u>1,518</u>	<u>200,390</u>	<u>714,238</u>
At 31 May 2017	<u>10,734</u>	<u>505,295</u>	<u>2,024</u>	<u>182,391</u>	<u>700,444</u>

#### 6. Debtors

	2018 £	2017 £
Trade debtors	727,196	26,994
Other debtors	107,423	205,161
	<u>834,619</u>	<u>232,155</u>

#### 7. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	149,247	82,060
Corporation tax	142,626	75,034
Social security and other taxes	200,623	89,256
Other creditors	228,071	219,102
	<u>720,567</u>	<u>465,452</u>

There is a fixed and floating charge over the assets of the company.

Fixed assets with a net book value of £434,167 (2017: £474,052) are pledged in respect of liabilities totalling £216,347 (2017: £302,942).

#### 8. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>71,264</u>	<u>148,672</u>

# J Freeley Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 May 2018

#### 9. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	27,546	32,829
Later than 1 year and not later than 5 years	<u>1,526</u>	<u>29,072</u>
	<u>29,072</u>	<u>61,901</u>

#### 10. Summary audit opinion

The auditor's report for the year dated 22/1/2019 was unqualified.

The senior statutory auditor was Murray Patt, FCA, for and on behalf of Alexander Knight & Co Limited.