
J FREELEY LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2023

J FREELEY LIMITED

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J FREELEY LIMITED

COMPANY INFORMATION

Directors	J Freeley A Freeley M T Freeley S P Freeley
Company secretary	A Freeley
Registered number	01719179
Registered office	14 Southern Street Worsley Manchester M28 3QN
Independent auditors	Alexander Knight and Co. Limited Chartered Accountants and Statutory Auditor Westgate House 44 Hale Road Hale Altrincham Cheshire WA14 2EX
Bankers	Yorkshire Bank (A Trading Name Of Clydesdale Bank Plc) 44 Fishergate Preston PR1 8BH
Solicitors	Chafes Hague Lambert LLP 32 London Road Alderley Edge Cheshire SK9 7DZ

J FREELEY LIMITED
REGISTERED NUMBER: 01719179

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	834,651	854,688
		<u>834,651</u>	<u>854,688</u>
Current assets			
Stocks		26,660	27,700
Debtors: amounts falling due within one year	7	710,340	614,993
Cash at bank and in hand	8	441,115	127,936
		<u>1,178,115</u>	<u>770,629</u>
Creditors: amounts falling due within one year	9	(461,757)	(368,274)
Net current assets		<u>716,358</u>	<u>402,355</u>
Total assets less current liabilities		<u>1,551,009</u>	<u>1,257,043</u>
Creditors: amounts falling due after more than one year	10	-	(61,636)
Provisions for liabilities			
Deferred tax		(187,440)	(166,893)
		<u>(187,440)</u>	<u>(166,893)</u>
Net assets		<u>1,363,569</u>	<u>1,028,514</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		1,353,569	1,018,514
		<u>1,363,569</u>	<u>1,028,514</u>

J FREELEY LIMITED
REGISTERED NUMBER: 01719179

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2023

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:

J Freeley
Director

Date: 8 December 2023

The notes on pages 4 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

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. 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 (see note 3).

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

The following principal accounting policies have been applied:

2.2 Revenue

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.

Rendering of services

Rev 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.

2.3 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.4 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.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

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

2.8 Employee benefits

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year 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 reporting 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.

2.10 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Property improvements	-	10%	straight line
Plant and machinery	-	15%	to 33% reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance

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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.16 Financial instruments (continued)

transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.17 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.

2.18 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 2023**

3. Judgements in applying accounting policies 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.

4. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	5,200	4,950

5. Employees

The average monthly number of employees, including directors, during the year was 15 (2022 - 13).

J FREELEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

6. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 June 2022	11,927	1,069,773	367,287	2,656	1,451,643
Additions	-	135,940	30,000	-	165,940
Disposals	-	(26,613)	(5,250)	-	(31,863)
At 31 May 2023	11,927	1,179,100	392,037	2,656	1,585,720
Depreciation					
At 1 June 2022	7,156	452,882	134,774	2,143	596,955
Charge for the year on owned assets	1,193	99,907	21,706	129	122,935
Charge for the year on financed assets	-	-	41,217	-	41,217
Disposals	-	(5,904)	(4,134)	-	(10,038)
At 31 May 2023	8,349	546,885	193,563	2,272	751,069
Net book value					
At 31 May 2023	3,578	632,215	198,474	384	834,651
At 31 May 2022	4,771	616,891	232,513	513	854,688

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

	2023 £	2022 £
Motor vehicles	123,649	164,866
	<u>123,649</u>	<u>164,866</u>

J FREELEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

7. Debtors

	2023 £	2022 £
Trade debtors	328,297	486,190
Other debtors	382,043	128,803
	<u>710,340</u>	<u>614,993</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	441,115	127,936
	<u>441,115</u>	<u>127,936</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	-	10,000
Trade creditors	85,913	202,241
Amounts owed to other participating interests	10,500	11,651
Corporation tax	184,666	32,668
Other taxation and social security	17,825	36,316
Other creditors	162,853	75,398
	<u>461,757</u>	<u>368,274</u>

The following liabilities were secured:

	2023 £	2022 £
Obligations under finance leases and hire purchase contracts	29,969	36,625
	<u>29,969</u>	<u>36,625</u>

Details of security provided:

The above creditors were secured by a fixed and floating charge over the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

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

	2023 £	2022 £
Bank loans	-	31,667
Net obligations under finance leases and hire purchase contracts	-	29,969
	<u>-</u>	<u>61,636</u>

The following liabilities were secured:

	2023 £	2022 £
Obligations under finance leases and hire purchase contracts	-	29,969
	<u>-</u>	<u>29,969</u>

Details of security provided:

The above creditors were secured by a fixed and floating charge over the assets to which they relate.

11. Government grants

During the year J Freeley Limited received £nil (2022 - £16,604) through the Coronavirus job retention scheme, this has been recognised in the profit and loss account at the date of receipt.

12. Commitments under operating leases

At 31 May 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	38,611	41,458
Later than 1 year and not later than 5 years	81,136	119,747
	<u>119,747</u>	<u>161,205</u>

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 May 2023 was unqualified.

The audit report was signed on 12 December 2023 by Murray Patt, FCA (Senior Statutory Auditor) on behalf of Alexander Knight and Co. Limited.

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.