

**COMPANY REGISTRATION NUMBER: 02353689**

**A & J RYAN MECHANICAL SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 March 2020**

# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

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# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	Mr A P Ryan
	Mr J J Ryan
	Mr N G Foster
	Mr D J Ryan
<b>Company secretary</b>	Mr J J Ryan
<b>Registered office</b>	Numeric House
	98 Station Road
	Sidcup
	Kent
	United Kingdom
<b>Auditor</b>	DA15 7BY
	Opass Billings Wilson & Honey LLP
	Chartered Certified Accountants & statutory auditor
	Numeric House
	98 Station Road
	Sidcup
	Kent
<b>Bankers</b>	DA15 7BY
	Lloyds Bank Plc
	121 High Street
	Tonbridge
	Kent
	TN9 1DB

# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 MARCH 2020**

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**Strategic Management** The company supply and install building mechanical services across London and the South East of England. The company specialise in high specification residential developments as well as mixed tenure projects. The objective of the company is to provide high quality services to its customers, whilst ensuring the company operate in a fair and ethical way. By maintaining these high standards, the company intend to achieve fair profits, improve the company's position and to increase the company's portfolio of projects. To achieve these objectives, the company's strategy is to provide an efficient, quality and personal service to meet customers' needs. The continued success in achieving our goal of customer satisfaction has relied on all our staff being fully qualified, well trained, motivated, pro-active and given excellent working conditions. The company considers it vitally important that all persons who are undertaking work for them are qualified and adequately trained to carry out those procedures for which they have been employed. The board actively seek out and employ staff with exceptional skills and the highest levels of attention to detail, and their work is reflected in the excellent finish given to each and every project the company undertakes.

**Business environment** Due to the nature of the business operations the company is subject to various health and safety risks. The company has a very strong commitment to achieving the highest level of health and safety standards. Robust internal systems and processes have been carefully developed which mean Health and Safety procedures are implemented as standard at all of the company's sites and on every project the company is involved in. The company is fully aware of their environmental responsibilities and have developed a set of systems which embed efficiency into our company culture. We use environmentally friendly products wherever possible and actively strive to minimise waste and reduce pollution where possible. The board take their commitment to their stakeholders, staff and the environment very seriously. This includes listening to and learning from our customers, employees and the communities surrounding our sites. Our stakeholders are involved in decision making because the board recognise that other points of view are important.

**Business performance** The Board regards the following as the key performance indicators for the company: 1. Gross Profit Percentage 23.17% (2019 - 23.96%) The Gross Profit Percentage achieved in 2020 showed a decrease compared to the results in 2019. 2. Net Profit Percentage 16.03% (2019 - 16.09%) The Net Profit Percentage achieved by the company has decreased when compared to 2019. 3. The ratio of current assets to current liabilities The ratio of current assets to current liabilities at 31 March 2020 was 1.52 and at 31 March 2019 it was 1.51. The board are satisfied with the results for the year ending 31st March 2020 and are in-line with their expectations. With current level of projects in place the board are confident that the company will continue to succeed and grow for the foreseeable future.

This report was approved by the board of directors on 31 March 2021 and signed on behalf of the board by:  
J J Ryan Director

# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements of the company for the year ended 31 March 2020 .

#### **Directors**

The directors who served the company during the year were as follows:

Mr A P Ryan

Mr J J Ryan

Mr N G Foster

Mr D J Ryan (Appointed 11 September 2019)

#### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

#### **Future developments**

The Company's objective is to maintain its current position in the market place.

#### **Financial instruments**

The company has sufficient levels of working capital, which is monitored on a daily basis by the board. The company's exposure to liquidity risk and cash flow risk is therefore considered to be low.

At the balance sheet date the company has no outstanding debt finance and therefore the company's exposure to credit risk is also low.

The company does not hold any listed investments or securities and therefore is not subject to any price risk.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 31 March 2021 and signed on behalf of the board by:

J J Ryan Director

# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A & J RYAN MECHANICAL SERVICES LIMITED**

**YEAR ENDED 31 MARCH 2020**

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### **Opinion**

We have audited the financial statements of A & J Ryan Mechanical Services Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit; or - the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

P B Woodman FCCA, ACA, CTA

(Senior Statutory Auditor)

For and on behalf of

Opass Billings Wilson & Honey LLP

Chartered Certified Accountants & statutory auditor

Numeric House

98 Station Road

Sidecup

Kent

DA15 7BY

31 March 2021

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2020

		2020	2019
	Note	£	£
<b>Turnover</b>	<b>4</b>	<b>13,703,595</b>	<i>15,890,118</i>
Cost of sales		<b>10,528,009</b>	<i>12,082,263</i>
<b>Gross profit</b>		<b>3,175,586</b>	<i>3,807,855</i>
Administrative expenses		<b>965,015</b>	<i>692,690</i>
Other operating income	<b>5</b>	<b>109,244</b>	<i>65,338</i>
<b>Operating profit</b>	<b>6</b>	<b>2,319,815</b>	<i>3,180,503</i>
Interest payable	<b>10</b>	<b>13,257</b>	<i>220</i>
<b>Profit before taxation</b>		<b>2,306,558</b>	<i>3,180,283</i>
Taxation on ordinary activities	<b>11</b>	<b>109,290</b>	<i>623,079</i>
<b>Profit for the financial year and total comprehensive income</b>		<b>2,197,268</b>	<i>2,557,204</i>

All the activities of the company are from continuing operations.

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF FINANCIAL POSITION

31 March 2020

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	13	42,227	31,201
<b>Current assets</b>			
Stocks	14	78,625	22,027
Debtors	15	5,036,562	4,512,420
Cash at bank and in hand		1,387,550	1,415,479
		6,502,737	5,949,926
<b>Creditors: amounts falling due within one year</b>	17	4,291,765	3,940,467
<b>Net current assets</b>		2,210,972	2,009,459
<b>Total assets less current liabilities</b>		2,253,199	2,040,660
<b>Provisions</b>			
Taxation including deferred tax	18	2,612	341
<b>Net assets</b>		2,250,587	2,040,319
<b>Capital and reserves</b>			
Called up share capital	21	52,630	50,000
Share premium account	22	10,370	—
Profit and loss account	22	2,187,587	1,990,319
<b>Shareholders funds</b>		2,250,587	2,040,319

These financial statements were approved by the board of directors and authorised for issue on 31 March 2021 , and are signed on behalf of the board by:

Mr J J Ryan

Director

Company registration number: 02353689

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 April 2018</b>		50,000	—	1,933,115	1,983,115
Profit for the year		-----	----	2,557,204	2,557,204
<b>Total comprehensive income for the year</b>		—	—	2,557,204	2,557,204
Dividends paid and payable	<b>12</b>	-----	----	( 2,500,000)	( 2,500,000)
<b>Total investments by and distributions to owners</b>		—	—	( 2,500,000)	( 2,500,000)
<b>At 31 March 2019</b>		50,000	—	1,990,319	<b>2,040,319</b>
Profit for the year		-----	----	2,197,268	<b>2,197,268</b>
<b>Total comprehensive income for the year</b>		—	—	2,197,268	<b>2,197,268</b>
Issue of shares		2,630	10,370	—	<b>13,000</b>
Dividends paid and payable	<b>12</b>	-----	----	( 2,000,000)	( 2,000,000)
<b>Total investments by and distributions to owners</b>		2,630	10,370	( 2,000,000)	( 1,987,000)
<b>At 31 March 2020</b>		52,630	10,370	2,187,587	<b>2,250,587</b>

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

		2020	2019
	Note	£	£
<b>Cash flows from operating activities</b>			
Profit for the financial year		2,197,268	2,557,204
<i>Adjustments for:</i>			
Depreciation of tangible assets		9,324	9,302
Interest payable		13,257	220
Gains on disposal of tangible assets		( 726)	—
Taxation on ordinary activities		109,290	623,079
Accrued expenses		1,149,896	187,056
<i>Changes in:</i>			
Stocks		( 56,598)	—
Trade and other debtors		( 524,142)	( 1,000,890)
Trade and other creditors		( 490,133)	249,412
Cash generated from operations		2,407,436	2,625,383
Interest paid		( 13,257)	( 220)
Tax paid		( 418,468)	( 471,916)
Net cash from operating activities		1,975,711	2,153,247
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		( 29,047)	—
Proceeds from sale of tangible assets		9,423	—
Net cash used in investing activities		( 19,624)	—
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		13,000	—
Proceeds from borrowings		4,890	—
Proceeds from loans from group undertakings		( 1,557)	1,426
Dividends paid		( 2,000,000)	( 2,500,000)
Net cash used in financing activities		( 1,983,667)	( 2,498,574)
<b>Net decrease in cash and cash equivalents</b>		( 27,580)	( 345,327)
<b>Cash and cash equivalents at beginning of year</b>		1,415,130	1,760,457
<b>Cash and cash equivalents at end of year</b>	16	1,387,550	1,415,130

# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Numeric House, 98 Station Road, Sidcup, Kent, DA15 7BY, United Kingdom.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with 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 the statement of comprehensive income. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Debtors**

Debtors are initially recorded at fair value and are assessed for impairment at each year end date. If any impairments exist the debtors are remeasured to the present value of the expected future cash inflows.

#### **Creditors**

Creditors are initially recorded at fair value and are then remeasured to the present value of the expected future cash outflows.

#### **Judgements and 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: The key source of estimation uncertainty is revenue recognition on long term contracts. Profits on long term contracts are accrued evenly over the life of the contract. There are two estimated factors that are used in calculating the carrying amounts, being an estimated budgeted gross profit percentage and the estimated percentage of completion. The carrying amounts of the estimated contract values as at 31st March 2020 are uninvoiced sales of £Nil (2019: £93,925) and payments received on account of £1,023,666 (2019: £1,165,670).

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income. 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.

**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.

**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:

Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	20% reducing balance
Motor Vehicles	-	25% reducing balance

Assets classified as Plant & Machinery and Fixture & Fittings are considered to have no residual values after their useful economic life.



### **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.

### **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.

### **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.

### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## **4. Turnover**

Turnover arises from:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rendering of services	–	11,008
Construction contracts	<b>13,703,595</b>	15,879,110
	<b>13,703,595</b>	15,890,118

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

## 5. Other operating income

	2020	2019
	£	£
Management charges receivable	12,000	30,000
Other operating income	97,244	35,338
	-----	-----
	109,244	65,338
	-----	-----

Operating profit or loss is the profit or loss from business operations before deduction of interest and taxes.

## 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Depreciation of tangible assets	9,324	9,302
Gains on disposal of tangible assets	( 726)	—
Research and development expenditure written off	24,841	—
	-----	-----

Operating profit or loss is the profit or loss from business operations before deduction of interest and taxes.

## 7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	8,000	8,000
	-----	-----

## 8. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Production staff	30	29
Administrative staff	12	16
Management staff	3	3
	---	---
	45	48
	---	---

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	2,624,376	2,602,283
Other pension costs	148,010	160,000
	-----	-----
	2,772,386	2,762,283
	-----	-----

## 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	264,554	147,361
Company contributions to defined contribution pension plans	148,010	160,000
	-----	-----
	412,564	307,361
	-----	-----

Remuneration of the highest paid director in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	147,549	98,499

**10. Interest payable**

	2020	2019
	£	£
Interest on banks loans and overdrafts	220	220
Corporation tax interest payable	11,620	—
Other interest	1,417	—
	13,257	220

**11. Taxation on ordinary activities**

**Major components of tax expense**

	2020	2019
	£	£
<b>Current tax:</b>		
UK current tax expense	312,395	623,844
Corporation tax due on research and development claim in prior year	(205,376)	—
Total current tax	107,019	623,844
<b>Deferred tax:</b>		
Origination and reversal of timing differences	2,271	( 765)
<b>Taxation on ordinary activities</b>	<b>109,290</b>	<b>623,079</b>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19 % (2019: 19 %).

	2020	2019
	£	£
Profit on ordinary activities before taxation	2,306,558	3,180,283
Profit on ordinary activities by rate of tax	438,246	604,254
Adjustment to tax charge in respect of prior periods	( 205,376)	—
Effect of expenses not deductible for tax purposes	16,982	18,825
Effect of capital allowances and depreciation	( 486)	765
Effect of research and development tax relief	(142,347)	—
Effect of deferred taxation	2,271	(765)
Tax on profit	109,290	623,079

**12. Dividends**

	2020	2019
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	2,000,000	2,500,000

### 13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2019	6,795	21,632	87,558	<b>115,985</b>
Additions	—	4,148	24,899	<b>29,047</b>
Disposals	—	( 8,968)	( 37,605)	<b>( 46,573)</b>
	-----	-----	-----	-----
<b>At 31 March 2020</b>	<b>6,795</b>	<b>16,812</b>	<b>74,852</b>	<b>98,459</b>
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April 2019	3,435	11,814	69,535	<b>84,784</b>
Charge for the year	672	1,963	6,689	<b>9,324</b>
Disposals	—	( 6,463)	( 31,413)	<b>( 37,876)</b>
	-----	-----	-----	-----
<b>At 31 March 2020</b>	<b>4,107</b>	<b>7,314</b>	<b>44,811</b>	<b>56,232</b>
	-----	-----	-----	-----
<b>Carrying amount</b>				
<b>At 31 March 2020</b>	<b>2,688</b>	<b>9,498</b>	<b>30,041</b>	<b>42,227</b>
	-----	-----	-----	-----
At 31 March 2019	3,360	9,818	18,023	<b>31,201</b>
	-----	-----	-----	-----

### 14. Stocks

	<b>2020</b>	2019
	<b>£</b>	£
Raw materials	<b>44,500</b>	22,027
Work in progress	<b>34,125</b>	—
	-----	-----
	<b>78,625</b>	22,027
	-----	-----

### 15. Debtors

	<b>2020</b>	2019
	<b>£</b>	£
Trade debtors	<b>2,848,238</b>	2,613,876
Amounts owed by group undertakings	<b>1,643,439</b>	1,611,569
Prepayments and accrued income	<b>157,601</b>	45,419
Corporation tax repayable	<b>193,756</b>	—
Other debtors	<b>193,528</b>	241,556
	-----	-----
	<b>5,036,562</b>	4,512,420
	-----	-----

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<b>2020</b>	2019
	<b>£</b>	£
Cash at bank and in hand	<b>1,387,550</b>	1,415,479
Bank overdrafts	—	( 349)
	-----	-----
	<b>1,387,550</b>	1,415,130
	-----	-----

**17. Creditors: amounts falling due within one year**

	2020	2019
	£	£
Bank loans and overdrafts	–	349
Payments received on account	1,023,666	1,165,670
Trade creditors	1,236,487	1,509,881
Amounts owed to group undertakings	–	1,557
Accruals and deferred income	1,608,304	458,408
Corporation tax	312,395	623,844
Social security and other taxes	101,131	106,650
Director loan accounts	4,890	–
Other creditors	4,892	74,108
	-----	-----
	4,291,765	3,940,467
	-----	-----

**18. Provisions**

	Deferred tax (note 19) £
At 1 April 2019	341
Additions	2,271
	-----
At 31 March 2020	2,612
	-----

**19. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 18)	2,612	341
	-----	-----

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	2,612	341
	-----	-----

**20. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	2020	2019
	£	£
<b>Financial assets measured at fair value through profit or loss</b>		
Trade debtors	1,769,500	1,277,721
Amounts owed by group undertakings	1,643,439	1,611,569
Other debtors	32,236	32,236
	-----	-----
	3,445,175	2,921,526
	-----	-----
<b>Financial liabilities measured at fair value through profit or loss</b>		
Trade creditors	1,236,487	1,509,881
Amounts owed to group undertakings	–	1,557
	-----	-----
	1,236,487	1,511,438
	-----	-----

## 21. Called up share capital

### Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 1 each	50,000	50,000	50,000	50,000
Ordinary A shares of £ 1 each	2,630	2,630	—	—
	-----	-----	-----	-----
	52,630	52,630	50,000	50,000
	-----	-----	-----	-----

### Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 1 each	50,000	50,000	50,000	50,000
Ordinary A shares of £ 1 each	2,630	2,630	—	—
	-----	-----	-----	-----
	52,630	52,630	50,000	50,000
	-----	-----	-----	-----

## 22. Reserves

*Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - This reserve records retained earnings and accumulated losses.*

## 23. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	At 31 Mar 2020
	£	£	£
Cash at bank and in hand	1,415,479	(27,929)	1,387,550
Bank overdrafts	(349)	349	—
Debt due within one year	(1,557)	(3,333)	(4,890)
	-----	-----	-----
	1,413,573	( 30,913)	1,382,660
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# **A & J RYAN MECHANICAL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 MARCH 2020**

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### **24. Ultimate parent company**

The company's ultimate parent undertaking is A & J Ryan Holdings Limited by the virtue of the company holding 95% of the issued share capital in A & J Ryan Mechanical Services Limited.

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