

Registered number: 06429273

JM ENGINEERING (SCARBOROUGH) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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JM ENGINEERING (SCARBOROUGH) LIMITED
REGISTERED NUMBER: 06429273

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	442,685	513,151
		<u>442,685</u>	<u>513,151</u>
Current assets			
Stocks	5	70,000	109,247
Debtors: amounts falling due within one year	6	993,381	494,912
Cash at bank and in hand	7	834,741	676,010
		<u>1,898,122</u>	<u>1,280,169</u>
Creditors: amounts falling due within one year	8	(668,505)	(543,076)
Net current assets		<u>1,229,617</u>	<u>737,093</u>
Total assets less current liabilities		<u>1,672,302</u>	<u>1,250,244</u>
Provisions for liabilities			
Deferred tax		(97,372)	(84,224)
		<u>(97,372)</u>	<u>(84,224)</u>
Accruals and deferred income	10	(39,630)	(46,830)
Net assets		<u>1,535,300</u>	<u>1,119,190</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		1,534,300	1,118,190
		<u>1,535,300</u>	<u>1,119,190</u>

JM ENGINEERING (SCARBOROUGH) LIMITED
REGISTERED NUMBER: 06429273

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

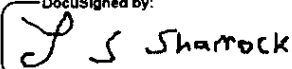
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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 comprehensive income 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 on 31 May 2022.

DocuSigned by:

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J. S. Sharrock
Director

The notes on pages 3 to 10 form part of these financial statements.

JM ENGINEERING (SCARBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

JM Engineering (Scarborough) Limited is a private limited company incorporated in England and Wales. Its registered office is Colmil Works Hart Common, Wigan Road, Westhoughton, Bolton, BL5 2EE and its trading address is Unit 10 Plaxton Park, Cayton Low Road, Eastfield, Scarborough, North Yorkshire, YO11 3BQ. The company number is 06429273.

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 following principal accounting policies have been applied:

2.2 Going concern

The company has cash resources and has no requirement for external bank funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

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.

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 comprehensive income 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 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.8 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.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10% straight line
Plant and machinery	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Office equipment	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

JM ENGINEERING (SCARBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 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.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 19 (2020 - 19).

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2021	52,936	937,312	101,833	37,115	1,129,196
Additions	-	18,217	-	211	18,428
At 31 December 2021	52,936	955,529	101,833	37,326	1,147,624
Depreciation					
At 1 January 2021	34,744	483,851	64,639	32,810	616,044
Charge for the year on owned assets	3,481	74,672	9,299	1,443	88,895
At 31 December 2021	38,225	558,523	73,938	34,253	704,939
Net book value					
At 31 December 2021	14,711	397,006	27,895	3,073	442,685
At 31 December 2020	18,191	453,461	37,194	4,305	513,151

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

	2021 £	2020 £
Motor vehicles	-	13,050
	-	13,050

5. Stocks

	2021 £	2020 £
Raw materials and consumables	30,000	62,258
Work in progress (goods to be sold)	40,000	46,989
	70,000	109,247

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Debtors

	2021 £	2020 £
Trade debtors	447,784	180,690
Amounts owed by group undertakings	527,517	300,897
Other debtors	1,729	-
Prepayments and accrued income	16,351	13,325
	<u>993,381</u>	<u>494,912</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	834,741	676,010
	<u>834,741</u>	<u>676,010</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	314,108	267,811
Amounts owed to group undertakings	89,274	5,432
Corporation tax	-	79,191
Other taxation and social security	145,075	124,712
Obligations under finance lease and hire purchase contracts	-	5,778
Other creditors	3,428	8,713
Accruals and deferred income	116,620	51,439
	<u>668,505</u>	<u>543,076</u>

JM ENGINEERING (SCARBOROUGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	834,741	676,010

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

10. Accruals and deferred income

	2021 £	2020 £
Grants	39,630	46,830

The grant is being released to the profit and loss account at a rate of 8% on cost per annum. This is the same as the rate of depreciation being applied to the asset which the grant was used to purchase.

11. Contingent liabilities

The Company has entered into a cross guarantee with other group companies such that it will guarantee the lending of its parent should it be unable to meet its liabilities as and when they fall due. At 31 December 2020, the maximum potential exposure is £93,568,186 (2020 - £88,740,487).

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £11,757 (2020 - £14,019).

13. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 and has not disclosed transactions with other wholly owned group companies.

14. Controlling party

The immediate parent company is Woodall Nicholson Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company is Trinity Topco Limited, a company incorporated in England and Wales. The consolidated financial statements of Trinity Topco Limited can be obtained from Companies House.