

A Gray & Sons Limited

Unaudited Financial Statements

Year Ended

31 March 2017

Company Number SC239040



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A Gray & Sons Limited

Company Information

Directors	Gary Gray Jacqueline Andrews Jeffrey John Gray John Gray Rodney Gray
Company secretary	Jacqueline Andrews
Registered number	SC239040
Registered office	24 Main Street Glenboig Coatbridge ML5 2QT
Accountants	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Bankers	Bank of Scotland The Quadrant Centre Coatbridge ML5 3EF

A Gray & Sons Limited

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A Gray & Sons Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of A Gray & Sons Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of A Gray & Sons Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of A Gray & Sons Limited, as a body, in accordance with the terms of our engagement letter dated 9 November 2017. Our work has been undertaken solely to prepare for your approval the accounts of A Gray & Sons Limited and state those matters that we have agreed to state to the board of directors of A Gray & Sons Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A Gray & Sons Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that A Gray & Sons Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of A Gray & Sons Limited. You consider that A Gray & Sons Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of A Gray & Sons Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
Chartered Accountants
Glasgow
UK

21 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

A Gray & Sons Limited

Registered number: SC239040

Balance Sheet As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	45,000	52,500
Tangible assets	6	154,127	179,043
		<u>199,127</u>	<u>231,543</u>
Current assets			
Stocks	7	4,000	4,000
Debtors: amounts falling due within one year	8	242,326	212,198
Cash at bank and in hand	9	65,162	88,415
		<u>311,488</u>	<u>304,613</u>
Creditors: amounts falling due within one year	10	(251,353)	(276,113)
Net current assets		<u>60,135</u>	<u>28,500</u>
Total assets less current liabilities		<u>259,262</u>	<u>260,043</u>
Creditors: amounts falling due after more than one year	11	-	(458)
Provisions for liabilities			
Deferred tax	14	(20,150)	(22,827)
		<u>(20,150)</u>	<u>(22,827)</u>
Net assets		<u><u>239,112</u></u>	<u><u>236,758</u></u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	238,112	235,758
		<u><u>239,112</u></u>	<u><u>236,758</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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.

A Gray & Sons Limited
Registered number: SC239040

Balance Sheet (continued)
As at 31 March 2017

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

20/12/17



Jacqueline Andrews

Director

The notes on pages 5 to 17 form part of these financial statements.

A Gray & Sons Limited

Statement of Changes in Equity For the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	1,000	235,758	236,758
Comprehensive income for the year			
Profit for the year	-	110,154	110,154
Total comprehensive income for the year	-	110,154	110,154
Dividends: Equity capital	-	(107,800)	(107,800)
Total transactions with owners	-	(107,800)	(107,800)
At 31 March 2017	1,000	238,112	239,112

A Gray & Sons Limited

Statement of Changes in Equity For the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	1,000	172,446	173,446
Comprehensive income for the year			
Profit for the year	-	194,512	194,512
Total comprehensive income for the year	-	194,512	194,512
Dividends: Equity capital	-	(131,200)	(131,200)
Total transactions with owners	-	(131,200)	(131,200)
At 31 March 2016	1,000	235,758	236,758

The notes on pages 5 to 17 form part of these financial statements.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

1. General information

A Gray & Sons Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's principal activities is set out in the directors' report. The financial statements have been prepared on a going concern basis in accordance with Section 1A of Financial Reporting Standard 102 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 judgment in applying the Company's accounting policies (see note 3).

This is the first period where the company has applied FRS 102. The date of transition to FRS 102 was 1 April 2015.

The impact of first-time adoption of FRS 102 is given in note 20.

The following principal accounting policies have been applied:

2.2 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:

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.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 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, on a reducing balance and straight line basis..

Depreciation is provided on the following basis:

Freehold property	-	5% straight line
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% reducing balance
Computer equipment	-	33% 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 the Statement of Comprehensive Income.

Freehold land is not depreciated.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.5 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 balance sheet 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.

2.6 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.

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Assess any bad debt provision required via review of trade and other debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed payment terms, and a financial assessment of the debtor's ability to pay its debts.
- A reliable estimate of the useful life of goodwill arising on business combinations has been made. This estimate is based on a variety of factors including the expected useful life of the acquired business and the expected useful life of the cash generating unit to which the goodwill is attributed.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

4. Employees

The average monthly number of employees, including directors, during the year was 19 (2016 - 14).

5. Intangible assets

	Goodwill £
Cost	
At 1 April 2016	150,000
At 31 March 2017	<u>150,000</u>
Amortisation	
At 1 April 2016	97,500
Charge for the year	7,500
At 31 March 2017	<u>105,000</u>
Net book value	
At 31 March 2017	<u>45,000</u>
At 31 March 2016	<u>52,500</u>

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

6. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost or valuation					
At 1 April 2016	34,831	427,975	30,770	3,450	16,149
Additions	-	-	-	1,100	472
At 31 March 2017	34,831	427,975	30,770	4,550	16,621
Depreciation					
At 1 April 2016	11,924	285,168	21,000	1,138	14,902
Charge for the year on owned assets	1,742	21,421	2,443	341	541
At 31 March 2017	13,666	306,589	23,443	1,479	15,443
Net book value					
At 31 March 2017	21,165	121,386	7,327	3,071	1,178
At 31 March 2016	22,907	142,807	9,770	2,312	1,247

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

6. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2016	513,175
Additions	1,572
At 31 March 2017	<u>514,747</u>
Depreciation	
At 1 April 2016	334,132
Charge for the year on owned assets	26,488
At 31 March 2017	<u>360,620</u>
Net book value	
At 31 March 2017	<u>154,127</u>
At 31 March 2016	<u>179,043</u>

7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

8. Debtors

	2017 £	2016 £
Trade debtors	242,326	212,198
	<u>242,326</u>	<u>212,198</u>

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	65,162	88,415
	<u>65,162</u>	<u>88,415</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	393	4,608
Trade creditors	115,499	120,369
Corporation tax	55,168	55,382
Other taxation and social security	29,747	28,564
Other creditors	10,677	14,787
Accruals and deferred income	39,869	52,403
	<u>251,353</u>	<u>276,113</u>

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

	2017 £	2016 £
Bank loans	-	458
	<u>-</u>	<u>458</u>

Secured loans

The bank loan is secured by by a floating charge over the assets of the company and directors' personal guarantees totalling £40,000.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	393	4,608
	<u>393</u>	<u>4,608</u>
Amounts falling due 2-5 years		
Bank loans	-	458
	<u>-</u>	<u>458</u>
	<u>393</u>	<u>5,066</u>

13. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	65,162	88,415
Financial assets measured at amortised cost	242,326	212,198
	<u>307,488</u>	<u>300,613</u>
Financial liabilities		
Financial liabilities measured at amortised cost	126,569	140,222
	<u>126,569</u>	<u>140,222</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors.

Financial assets measured at amortised cost comprise trade creditors, other creditors and bank loans.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

14. Deferred taxation

	2017 £
At beginning of year	22,827
Charged to profit or loss	-
Utilised in year	2,677
At end of year	20,150

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	20,150
	<u>20,150</u>

15. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

16. Reserves

Profit and loss account

The profit and loss reserve comprises of the cumulative profit and loss trading results less any dividends distributed to shareholders.

17. Pension commitments

The company operates a defined contribution pension scheme, the assets of which 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 scheme and amounted to £14,400 (2016 - £14,400) for Directors and £1,652 (2016 - £NIL) for employees.

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

18. Related party transactions

Included within other creditors due within one year are balances due to the directors as follows:

	Balance at 01/04/16 £	Paid to directors £	Received from directors £	Balance at 31/3/17 £
John Gray	(4,474)	6,000	(2,000)	(474)
Gary Gray	(110)	7,936	(8,000)	(174)
Rodney Gray	(459)	8,224	(8,000)	(235)
Jeffery Gray	(347)	3,055	(4,000)	(1,292)
Jacqueline Gray	(9,089)	587	-	(8,502)
	<u>(14,479)</u>	<u>25,802</u>	<u>(22,000)</u>	<u>(10,677)</u>

During the year dividends totalling £140,000 (2016 - £139,000) were declared. John Gray waived his right to £15,600 (2016 - £7,800), Jeff Gray waived his right to £16,600 (2016 - £NIL) and Jacqueline Gray waived her right to £8,000 (2016 - £NIL).

The directors have personally gauranteed the company's debts to the value of £40,000

A Gray & Sons Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

19. Controlling party

There is no individual who controls this entity by virtue of all directors holding equal shareholding in the company.

20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.