

COMPANY REGISTRATION NUMBER: 02353689

**A & J RYAN MECHANICAL SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2019**



**OPASS BILLINGS WILSON & HONEY LLP**

Chartered Certified Accountants & statutory auditor

Numeric House  
98 Station Road  
Sidcup  
Kent  
DA15 7BY

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

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

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

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The board of directors**

Mr A P Ryan  
Mr J J Ryan  
Mr N G Foster

### **Company secretary**

Mr J J Ryan

### **Registered office**

Numeric House  
98 Station Road  
Sidcup  
Kent  
United Kingdom  
DA15 7BY

### **Auditor**

Opass Billings Wilson & Honey LLP  
Chartered Certified Accountants & statutory auditor  
Numeric House  
98 Station Road  
Sidcup  
Kent  
DA15 7BY

### **Bankers**

Lloyds Bank Plc  
121 High Street  
Tonbridge  
Kent  
TN9 1DB

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

## **STRATEGIC REPORT**

**YEAR ENDED 31 MARCH 2019**

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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 23.96% (2018 - 21.75%)

The Gross Profit Percentage achieved in 2019 showed an increase compared to the results in 2018.

2. Net Profit Percentage 16.09% (2018 - 14.85%)

The Net Profit Percentage achieved by the company has increased when compared to 2018.

3. The ratio of current assets to current liabilities

The ratio of current assets to current liabilities at 31 March 2019 was 1.51 and at 31 March 2018 it was 1.58.

The board are pleased with the results for the year ending 31st March 2019 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.

# A & J RYAN MECHANICAL SERVICES LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

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This report was approved by the board of directors on 26/11/19 and signed on behalf of the board by:



J J Ryan  
Director

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

## **DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2019**

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The directors present their report and the financial statements of the company for the year ended 31 March 2019.

### **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

### **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.

# A & J RYAN MECHANICAL SERVICES LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019


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### 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 26/11/19 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 2019**

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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 2019 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.



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

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

**YEAR ENDED 31 MARCH 2019**

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### **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.

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

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

**YEAR ENDED 31 MARCH 2019**

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

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

**YEAR ENDED 31 MARCH 2019**

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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.

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  
Sidcup  
Kent  
DA15 7BY

26-11-19

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2019

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	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	<b>15,890,118</b>	<b>13,385,453</b>
Cost of sales		<u>12,082,263</u>	<u>10,474,161</u>
<b>Gross profit</b>		<b>3,807,855</b>	<b>2,911,292</b>
Administrative expenses		692,690	478,613
Other operating income	<b>5</b>	<u>65,338</u>	<u>29,046</u>
<b>Operating profit</b>	<b>6</b>	<b>3,180,503</b>	<b>2,461,725</b>
Interest payable	<b>10</b>	<u>220</u>	<u>2,924</u>
<b>Profit before taxation</b>		<b>3,180,283</b>	<b>2,458,801</b>
Taxation on ordinary activities	<b>11</b>	<u>623,079</u>	<u>470,814</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>2,557,204</u></b>	<b><u>1,987,987</u></b>

All the activities of the company are from continuing operations.

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The notes on pages 14 to 21 form part of these financial statements.

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# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF FINANCIAL POSITION

31 MARCH 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	31,201	40,503
<b>Current assets</b>			
Stocks	14	22,027	22,027
Debtors	15	4,512,420	3,511,530
Cash at bank and in hand		1,415,479	1,765,352
		<u>5,949,926</u>	<u>5,298,909</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>3,940,467</u>	<u>3,355,191</u>
<b>Net current assets</b>		<u>2,009,459</u>	<u>1,943,718</u>
<b>Total assets less current liabilities</b>		<u>2,040,660</u>	<u>1,984,221</u>
<b>Provisions</b>			
Taxation including deferred tax	18	341	1,106
<b>Net assets</b>		<u>2,040,319</u>	<u>1,983,115</u>
<b>Capital and reserves</b>			
Called up share capital	21	50,000	50,000
Profit and loss account	22	1,990,319	1,933,115
<b>Shareholders funds</b>		<u>2,040,319</u>	<u>1,983,115</u>

These financial statements were approved by the board of directors and authorised for issue on 26/11/19, and are signed on behalf of the board by:



Mr J J Ryan  
Director

Company registration number: 02353689

The notes on pages 14 to 21 form part of these financial statements.

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2019

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 April 2017</b>		50,000	3,045,128	3,095,128
Profit for the year			1,987,987	1,987,987
<b>Total comprehensive income for the year</b>		–	1,987,987	1,987,987
Dividends paid and payable	12	–	(3,100,000)	(3,100,000)
<b>Total investments by and distributions to owners</b>		–	(3,100,000)	(3,100,000)
<b>At 31 March 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	12	–	(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	2,040,319

The notes on pages 14 to 21 form part of these financial statements.

# A & J RYAN MECHANICAL SERVICES LIMITED

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		2,557,204	1,987,987
<i>Adjustments for:</i>			
Depreciation of tangible assets		9,302	12,132
Interest payable		220	2,924
Taxation on ordinary activities		623,079	470,814
Accrued expenses		187,056	–
<i>Changes in:</i>			
Stocks		–	(1,901)
Trade and other debtors		(1,000,890)	(107,495)
Trade and other creditors		249,412	794,581
Cash generated from operations		2,625,383	3,159,042
Interest paid		(220)	(2,924)
Tax paid		(471,916)	(496,461)
Net cash from operating activities		2,153,247	2,659,657
<b>Cash flows from financing activities</b>			
Proceeds from loans from group undertakings		1,426	131
Dividends paid		(2,500,000)	(3,100,000)
Net cash used in financing activities		(2,498,574)	(3,099,869)
Net decrease in cash and cash equivalents		(345,327)	(440,212)
Cash and cash equivalents at beginning of year		1,760,457	2,200,669
Cash and cash equivalents at end of year	16	1,415,130	1,760,457

The notes on pages 14 to 21 form part of these financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

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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 for each year end date. If any impairments exist the debtors are re-measured to the present value of the expected future cash inflows

#### **Creditors**

Creditors are initially recorded at fair value and are then re-measured 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 2019 are uninvoiced sales of £93,925 (2018: £19,330) and payments received on account of £1,165,670 (2018: £810,177).



# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

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

#### 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.

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

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

#### Impairment of fixed assets *(continued)*

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:

	2019 £	2018 £
Rendering of services	11,008	–
Construction contracts	15,879,110	13,385,453
	<u>15,890,118</u>	<u>13,385,453</u>

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

### 4. Turnover *(continued)*

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

### 5. Other operating income

	2019	2018
	£	£
Management charges receivable	30,000	12,000
Other operating income	35,338	17,046
	<u>65,338</u>	<u>29,046</u>

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:

	2019	2018
	£	£
Depreciation of tangible assets	<u>9,302</u>	<u>12,132</u>

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

### 7. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>8,000</u>	<u>8,000</u>

### 8. Particulars of employees

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

	2019	2018
	No.	No.
Production staff	29	26
Administrative staff	16	14
Management staff	3	3
	<u>48</u>	<u>43</u>

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

	2019	2018
	£	£
Wages and salaries	2,602,283	1,947,994
Other pension costs	160,000	—
	<u>2,762,283</u>	<u>1,947,994</u>

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

### 9. Directors' remuneration

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

	2019	2018
	£	£
Remuneration	147,361	136,039
Company contributions to defined contribution pension plans	160,000	–
	<u>307,361</u>	<u>136,039</u>

### 10. Interest payable

	2019	2018
	£	£
Interest on banks loans and overdrafts	220	–
Other interest payable and similar charges	–	2,924
	<u>220</u>	<u>2,924</u>

### 11. Taxation on ordinary activities

#### Major components of tax expense

	2019	2018
	£	£
<b>Current tax:</b>		
UK current tax expense	623,844	471,916
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(765)	(1,102)
<b>Taxation on ordinary activities</b>	<u>623,079</u>	<u>470,814</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	3,180,283	2,458,801
Profit on ordinary activities by rate of tax	604,254	467,172
Effect of expenses not deductible for tax purposes	18,825	3,642
Effect of capital allowances and depreciation	765	1,102
Effect of deferred taxation	(765)	(1,102)
<b>Tax on profit</b>	<u>623,079</u>	<u>470,814</u>

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

### 12. Dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>2,500,000</u>	<u>3,100,000</u>

During the year dividends of £2,500,000 were paid to the parent company, A & J Ryan Holdings Limited.

### 13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2018 and 31 March 2019	<u>6,795</u>	<u>21,632</u>	<u>87,558</u>	<u>115,985</u>
<b>Depreciation</b>				
At 1 April 2018	2,595	9,360	63,527	75,482
Charge for the year	<u>840</u>	<u>2,454</u>	<u>6,008</u>	<u>9,302</u>
At 31 March 2019	<u>3,435</u>	<u>11,814</u>	<u>69,535</u>	<u>84,784</u>
<b>Carrying amount</b>				
At 31 March 2019	<u>3,360</u>	<u>9,818</u>	<u>18,023</u>	<u>31,201</u>
At 31 March 2018	<u>4,200</u>	<u>12,272</u>	<u>24,031</u>	<u>40,503</u>

### 14. Stocks

	2019 £	2018 £
Raw materials	<u>22,027</u>	<u>22,027</u>

### 15. Debtors

	2019 £	2018 £
Trade debtors	2,613,876	1,750,634
Amounts owed by group undertakings	1,611,569	1,523,634
Prepayments and accrued income	45,419	16,879
Other debtors	<u>241,556</u>	<u>220,383</u>
	<u>4,512,420</u>	<u>3,511,530</u>

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019	2018
	£	£
Cash at bank and in hand	1,415,479	1,765,352
Bank overdrafts	(349)	(4,895)
	<u>1,415,130</u>	<u>1,760,457</u>

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

	2019	2018
	£	£
Bank loans and overdrafts	349	4,895
Payments received on account	1,165,670	810,177
Trade creditors	1,509,881	1,227,900
Amounts owed to group undertakings	1,557	131
Accruals and deferred income	458,408	740,232
Corporation tax	623,844	471,916
Social security and other taxes	106,650	72,783
Other creditors	74,108	27,157
	<u>3,940,467</u>	<u>3,355,191</u>

### 18. Provisions

	Deferred tax (note 19) £
At 1 April 2018	1,106
Charge against provision	(765)
At 31 March 2019	<u>341</u>

### 19. Deferred tax

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

	2019	2018
	£	£
Included in provisions (note 18)	<u>341</u>	<u>1,106</u>

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

	2019	2018
	£	£
Accelerated capital allowances	<u>341</u>	<u>1,106</u>

# A & J RYAN MECHANICAL SERVICES LIMITED

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

YEAR ENDED 31 MARCH 2019

### 20. Financial instruments

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

	2019 £	2018 £
<b>Financial assets measured at fair value through profit or loss</b>		
Trade debtors	1,277,721	1,010,395
Amounts owed by group undertakings	1,611,569	1,523,634
Other debtors	32,236	25,256
	<u>2,921,526</u>	<u>2,559,285</u>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Trade creditors	1,509,881	1,227,900
Amounts owed to group undertakings	1,175	131
	<u>1,511,056</u>	<u>1,228,031</u>

### 21. Called up share capital

#### Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

### 22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 23. Ultimate parent company

The company's ultimate parent undertaking is A & J Ryan Holdings Limited.