

JRL Demolition Limited

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 10488525

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JRL Demolition Limited

Company Information

Directors	Mr R J Gleeson Mr K W Keegan Mr J J Reddington
Company secretary	Mr R J Gleeson
Registered number	10488525
Registered office	4 Elstree Way Borehamwood Hertfordshire WD6 1RN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

JRL Demolition Limited

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JRL Demolition Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Principal activity

The principal activity of the company is that of a demolition contractor.

Results and dividends

The loss for the year, after taxation, amounted to £154,038 (2017 - loss of £60,900).

The directors do not recommend the payment of a dividend (2017 - £NIL).

Directors

The directors who served during the year were:

Mr R J Gleeson
Mr K W Keegan
Mr J J Reddington

JRL Demolition Limited

Directors' Report (continued) for the Year Ended 31 December 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

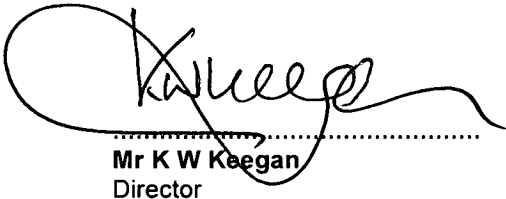
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Mr K W Keegan
Director

Date: 27/09/2019

JRL Demolition Limited

Independent Auditor's Report to the Members of JRL Demolition Limited

Opinion

We have audited the financial statements of JRL Demolition Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 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 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

JRL Demolition Limited

Independent Auditor's Report to the Members of JRL Demolition Limited (continued)

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

JRL Demolition Limited

Independent Auditor's Report to the Members of JRL Demolition Limited (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BDO LLP

Thomas Edward Goodworth (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: *20/09/19*

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

JRL Demolition Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

		31 December 2018 £	21 November 2016 to 31 December 2017 £
	Note		
Revenue	4	2,642,846	2,096,874
Cost of sales		(2,484,059)	(1,994,489)
Gross profit		158,787	102,385
Administrative expenses		(348,052)	(174,977)
Operating loss	5	(189,265)	(72,592)
Interest payable and similar charges	7	(905)	(2,820)
Loss before tax		(190,170)	(75,412)
Tax on loss	8	36,132	14,512
Loss for the financial year/period		(154,038)	(60,900)

All amounts relate to continuing operations.

There was no other comprehensive income for 2018 (2017 - £NIL).

The notes on pages 9 to 17 form part of these financial statements.

JRL Demolition Limited

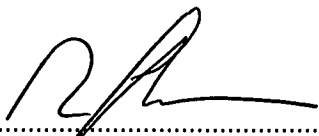
Registered number: 10488525

Statement of Financial Position as at 31 December 2018

	Note	2018 £	As restated 2017 £
Current assets			
Debtors	9	1,304,550	1,275,832
Cash and cash equivalents		12,124	80,666
		<u>1,316,674</u>	<u>1,356,498</u>
Creditors: amounts falling due within one year	10	<u>(1,530,612)</u>	<u>(1,416,398)</u>
Net current liabilities		(213,938)	(59,900)
Net liabilities		(213,938)	(59,900)
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(214,938)	(60,900)
		<u>(213,938)</u>	<u>(59,900)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mr R. J. Gleeson
Director

Date: 27/09/2019

The notes on pages 9 to 17 form part of these financial statements.

JRL Demolition Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000	(60,900)	(59,900)
Comprehensive loss for the year			
Loss for the year	-	(154,038)	(154,038)
At 31 December 2018	1,000	(214,938)	(213,938)

Statement of Changes in Equity for the Period Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 21 November 2016	-	-	-
Comprehensive loss for the period			
Loss for the period	-	(60,900)	(60,900)
Contributions by owners			
Shares issued during the period	1,000	-	1,000
At 31 December 2017	1,000	(60,900)	(59,900)

The notes on pages 9 to 17 form part of these financial statements.

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1. General information

JRL Demolition Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of JRL Group Holdings Limited as at 31 December 2018 and these financial statements may be obtained from 4 Elstree Way, Borehamwood, Hertfordshire, WD6 1RN.

2.3 Going concern

At the reporting date the company had net current liabilities of £213,938 (2017 - £59,900). Included in the current liabilities however, is a loan from JRL Group Limited of £410,000 (2017 - £1,050,000), which the directors of JRL Group Limited have confirmed will not be recalled within 12 months from the date of approval of these accounts. As a result of the confirmation letter the directors are confident that the company will continue to be able to meet its debts as they fall due. The directors have prepared detailed cash flow forecasts that show the company has sufficient funds to enable it to continue to trade for a period not less than one year from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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.

2.7 Creditors

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

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.8 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.

2.9 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 statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.10 Holiday pay adjustment

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and is therefore accrued at the reporting date.

To the extent that the holiday pay adjustment gives rise to an asset balance at the reporting date the amount is reported in prepayments.

2.11 Prior year adjustment

In the prior year, the accrued income balance was incorrectly disclosed as stock, and has therefore been reallocated to debtors.

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.12 Current and deferred taxation

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 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.

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

Key sources of estimation uncertainty:

- Long term contracts

Recognition of revenue and profit on long term contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the reporting date. Management undertakes detailed reviews on a monthly basis in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the reporting date is assessed by undertaking surveys and completing internal valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated and updates made where appropriate.

The age, nature and recoverability of all debtors and amounts recoverable on long term contracts are reviewed regularly by management and provisions made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4. Analysis of revenue

All revenue is attributable to demolition contracts and arises solely within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	31 December 2018 £	21 November 2016 to 31 December 2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,008	-
Defined contribution pension cost	3,216	1,640
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2017 - £Nil). The directors are paid by a fellow group company, J Reddington Limited.

6. Employees

Staff costs were as follows:

	31 December 2018 £	21 November 2016 to 31 December 2017 £
Wages and salaries	182,841	163,934
Social security costs	21,335	19,144
Cost of defined contribution scheme	3,216	1,640
	<u> </u>	<u> </u>
	207,392	184,718
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	31 December 2018 No.	21 November 2016 to 31 December 2017 No.
	6	3
	<u> </u>	<u> </u>

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7. Interest payable and similar charges

	31 December 2018 £	21 November 2016 to 31 December 2017 £
Bank interest payable	905	2,820

8. Taxation

	31 December 2018 £	21 November 2016 to 31 December 2017 £
Corporation tax		
Current tax on losses for the year/period	(36,132)	(14,512)
Taxation on loss on ordinary activities	(36,132)	(14,512)

Factors affecting tax credit for the year/period

The tax assessed for the year is the same as (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	31 December 2018 £	21 November 2016 to 31 December 2017 £
Loss on ordinary activities before tax	(190,170)	(75,412)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(36,132)	(14,514)
Effects of:		
Expenses not deductible for tax purposes	-	2
Total tax credit for the year/period	(36,132)	(14,512)

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9. Debtors

	2018 £	As restated 2017 £
Trade debtors	215,593	250
Amounts owed by group undertakings	762,609	542,986
Other debtors	33,458	43,188
Prepayments and accrued income	1,822	-
Amounts recoverable on long term contracts	254,973	674,896
Corporation tax recoverable	36,095	14,512
	<u>1,304,550</u>	<u>1,275,832</u>

All amounts shown under debtors fall due for payment within one year.

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	185,733	45,913
Amounts owed to group undertakings	1,122,887	1,332,457
Other taxation and social security	58,764	34,496
Other creditors	5,520	3,532
Accruals and deferred income	157,708	-
	<u>1,530,612</u>	<u>1,416,398</u>

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Reserves

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

13. 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 £3,216 (2017 - £1,640). Contributions totalling £NIL (2017 - £NIL) were payable to the fund at the reporting date.

14. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the year ended 31 December 2018, the company entered into transactions and had outstanding balances with the following companies which are related by common control:

Related party transactions and balances

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
2018				
Elstree Ink Limited	-	1,454	-	-
J Reddington Limited	1,903,913	207,392	729,152	82,153
JRL Plant and Logistics Limited	-	624,974	-	421,220
Midgard Limited	95,238	-	24,888	-
	<u>1,999,151</u>	<u>833,820</u>	<u>754,040</u>	<u>503,373</u>

14. Related party transactions (continued)

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
2017				
Elstree Ink Limited	-	1,636	-	-
J Reddington Limited	1,079,115	184,718	542,986	107,825
JRL Plant and Logistics Limited	-	490,191	-	124,140
Midgard Limited	12,500	-	-	-
	<u>1,091,615</u>	<u>676,545</u>	<u>542,986</u>	<u>231,965</u>

JRL Demolition Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

15. Ultimate parent undertaking and controlling party

The company is a subsidiary of JRL Group Limited, a company registered in England and Wales. The ultimate parent company is JRL Group Holdings Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by JRL Group Holdings Limited. The smallest group in which the results of the company are consolidated is that headed by JRL Group Limited. The consolidated accounts of both of these companies are available to the public and may be obtained from 4 Elstree Way, Borehamwood, Hertfordshire, WD6 1RN.

16. Guarantees

The company has entered into a cross guarantee with a number of other group companies to secure the group's overdraft facility.