

JCK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Company registration number 04836027 (England and Wales)

JCK LIMITED

COMPANY INFORMATION

Directors	A M Crangle T Brown N P Crangle S T Crangle
Company number	04836027
Registered office	Pippin Grove 628 London Road Colnbrook Slough SL3 8QH
Auditor	Sears Morgan Accountancy Limited Chartered Certified Accountants Elm Park House Elm Park Court Pinner Middlesex HA5 3NN

JCK LIMITED

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JCK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

JCK Limited (the "Company") is incorporated and domiciled in England and Wales.

Review of the Company's business and future developments

Our focus this year was on airport projects as well as distribution centres.

Future developments continued to be on hold at with some airports, still as a consequence of the impact of the pandemic. However, things are slowly looking more positive, and expectations are that works within the airports will increase during 2024.

Works on long term contracts have caused margin issues throughout early 2023 due to price increases in both labour and materials. The adverse effect of these price rises is corrected by the second half of 2023.

In 2024, we expect to have more projects especially with airport projects and also deliver specialty engineering services to the automotive industry which shall boost our turnover.

Our aim continues to be the development of long term, stable relationships with our customers which also requires us to establish strong links with our suppliers to ensure that we deliver a consistent, high-quality service. At the core of this is our continued commitment to Health and Safety issues. Our operatives and staff continue to aim delivering the most effective and best quality services.

Principle risks and uncertainties

The overall formal structure for managing risk is discussed and agreed by the board and reviewed on a regular basis. This includes identification, mitigation and management of risks using applicable frameworks and processes.

The principal risks faced by the group are credit risk, liquidity risk and operational risk.

Credit risk

Credit risk is the risk of loss arising from counterparty defaults, primarily attributable to the Company's trade receivables. Credit risk is managed through the use of credit control processes.

The Company has a relatively small number of customers and aged debts are closely monitored on a regular basis.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its liabilities when they fall due under normal conditions or can do so only at excessive cost. The Company receives monthly progress payments from its customers via direct bank transfer. The monthly receipts are in excess of the Company's cash outflow, therefore mitigating liquidity exposure. The majority of payments made to suppliers are processed in the month following presentation of an invoice.

The Company targets to maintain a surplus cash reserve to draw upon should it be required and this will also mitigate liquidity exposure in the short term.

JCK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk includes IT, information security, project, outsourcing, tax, legal, fraud and compliance risks. All the key operational risks are monitored and addressed by the board on a regular basis, which includes business continuity plan and resource allocation. In addition, some aspects of the Company's business are outsourced to third parties. The Directors periodically review the services provided by external service providers for the compliance with operational performance standards as defined in the respective agreements.

Key performance indicators

The Company's key annual financial performance indicators, which we also review on a monthly basis, are gross profit, operating profit and cash flows.

For the financial year under review these key financial performance indicators were, gross profit £2,835,775 (2022: £2,498,561), operating profit £849,392 (2022: £465,664) and cash flow increase £7,273,451 (2022: £5,502,641 decrease).

On behalf of the board

A M Crangle

Director

3 March 2025

JCK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the Company is the provision of mechanical, electrical and maintenance services within the construction industry, specialising in every aspect of industrial and commercial installation. There has not been any significant changes in the Company's principal activities in the year under review.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A M Crangle
T Brown
N P Crangle
S T Crangle

Results and dividends

The results for the year are set out on page 8.

No ordinary interim dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Sears Morgan Accountancy Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

JCK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A M Crangle

Director

3 March 2025

JCK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JCK LIMITED

Opinion

We have audited the financial statements of JCK Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2023 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

JCK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JCK LIMITED

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 strategic report or the directors' 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

JCK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JCK LIMITED

Audit response to risk identified

In response to the risk of irregularities, including fraud, and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC,
- reviewing legal and regulatory costs;
- considering audit evidence obtained in other testing areas to see if give rise to any indicators of non-compliance with relevant laws and regulations
- making enquiries with directors and management of any known or alleged instances of fraud or non-compliance of specific laws and regulations, including industry laws; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

N. Kerr FCCA
Senior Statutory Auditor
For and on behalf of Sears Morgan Accountancy Limited
Chartered Certified Accountants
Statutory Auditor
3 March 2025

Elm Park House
Elm Park Court
Pinner
Middlesex
HA5 3NN

JCK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	21,752,712	23,512,065
Cost of sales		(18,916,937)	(21,013,504)
Gross profit		2,835,775	2,498,561
Administrative expenses		(2,064,827)	(2,083,987)
Other operating income		78,444	51,090
Operating profit	4	849,392	465,664
Interest receivable and similar income	8	163,610	15,269
Interest payable and similar expenses	6	(13,805)	-
Amounts written off investments	11	-	(300,000)
Profit before taxation		999,197	180,933
Tax on profit	9	103,851	(5,776)
Profit for the financial year		1,103,048	175,157

The Profit and Loss account has been prepared on the basis that all operations are continuing operations.

JCK LIMITED

STATEMENT OF COMPREHENSIVE INCOME *FOR THE YEAR ENDED 31 DECEMBER 2023*

	2023 £	2022 £
Profit for the year	1,103,048	175,157
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	1,103,048	175,157
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JCK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		161,569		136,052
Investment property	13		1,700,000		1,700,000
Investments	15		85		85
			<u>1,861,654</u>		<u>1,836,137</u>
Current assets					
Stock	16	1,195,197		4,431,054	
Debtors	17	6,322,093		6,617,341	
Cash at bank and in hand		8,479,679		1,206,228	
		<u>15,996,969</u>		<u>12,254,623</u>	
Creditors: amounts falling due within one year	18	(7,740,579)		(5,075,764)	
Net current assets			<u>8,256,390</u>		<u>7,178,859</u>
Net assets			<u>10,118,044</u>		<u>9,014,996</u>
Capital and reserves					
Called up share capital	20		185		185
Profit and (loss) reserves			10,117,859		9,014,811
Total equity			<u>10,118,044</u>		<u>9,014,996</u>

The financial statements were approved by the board of directors and authorised for issue on 3 March 2025 and are signed on its behalf by:

A M Crangle
Director

Company registration number 04836027 (England and Wales)

JCK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Profit and (loss) reserves £	Total £
Balance at 1 January 2022		100	12,839,654	12,839,754
Year ended 31 December 2022:				
Profit and total comprehensive income		-	175,157	175,157
Issue of share capital	20	85	-	85
Dividends	10	-	(4,000,000)	(4,000,000)
Balance at 31 December 2022		185	9,014,811	9,014,996
Year ended 31 December 2023:				
Profit and total comprehensive income		-	1,103,048	1,103,048
Balance at 31 December 2023		185	10,117,859	10,118,044

JCK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		7,218,150		(1,569,431)
Interest paid			(13,805)		-
Income taxes (paid)/refunded			(5,775)		172,336
Net cash inflow/(outflow) from operating activities			7,198,570		(1,397,095)
Investing activities					
Purchase of tangible fixed assets		(97,479)		(130,312)	
Proceeds from disposal of tangible fixed assets		8,750		11,500	
Interest received		163,610		15,269	
Net cash generated from/(used in) investing activities			74,881		(103,543)
Financing activities					
Payment of finance leases obligations		-		(2,003)	
Dividends paid		-		(4,000,000)	
Net cash used in financing activities			-		(4,002,003)
Net increase/(decrease) in cash and cash equivalents			7,273,451		(5,502,641)
Cash and cash equivalents at beginning of year			1,206,228		6,708,869
Cash and cash equivalents at end of year			8,479,679		1,206,228

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

JCK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pippin Grove, 628 London Road, Colnbrook, Slough, SL3 8QH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The financial statements of the company are consolidated in the financial statements of JCK Engineering PTE Ltd. These consolidated financial statements are available from its registered office, Raffles Place, #27, Republic Plaza, Singapore (048619).

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised over time and when the outcome of a construction contract can be estimated reliably.

For contracts with income in advanced, contract revenue and contract costs are recognised as revenue and costs respectively by reference to the stage of completion of the contract activity at the balance sheet date (percentage of completion method).

For contracts with income in arrears, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion based on surveys of work performed at the year end and which have been approved at the balance sheet date (survey of work method).

Rental income

Rental income is recognised on a straight-line basis over the terms of the rental contract.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure.

Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Construction contracts

Where the outcome of individual construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date.

The stage of completion of contracts are normally measured either by a percentage of completion method or surveys of work performed method depending on the underlying individual contract. At each reporting date individual contracts year to date values are reviewed and measured against their expected profit margin with costs deferred to work in progress or turnover deferred to advanced income depending on the outcome of the review. No profit margin is recognised until the outcome of the contract can be estimated with reasonable certainty.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as a cost immediately.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Construction contracts

The management of construction contracts can incur unforeseen delays or additional costs which can impact their individual gross profit margins. Contracts are reviewed regularly and where significant are amended to reflect changes in determining income recognition or accrue for additional costs.

Investment property valuations

The investment properties are valued based on the directors opinion of the open market value as at the reporting date. This involves an estimation and subjective opinion based on general property prices in the area of the property. Investment properties have been valued on an assessed open market value of £1,700,000 (2022: £1,700,000) as at the reporting date of 31 December 2023.

3 Turnover and other revenue

Turnover is wholly attributable to the principle activity of the company and arose substantially, 99% (2022: 99%), within the UK.

	2023 £	2022 £
Turnover analysed by class of business		
Mechanical, electrical and maintenance services	21,752,712	23,512,065
	=====	=====
	2023 £	2022 £
Other revenue		
Interest income	163,610	15,269
Rental income arising from investment properties	66,444	29,090
Other rental income	12,000	22,000
	=====	=====

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(53)	(33,048)
Fees payable to the company's auditor for the audit of the company's financial statements	7,875	7,500
Depreciation of owned tangible fixed assets	63,494	37,133
Profit on disposal of tangible fixed assets	(282)	(246)
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Direct wages and salaries	10	15
Administration wages and salaries	27	35
	<u> </u>	<u> </u>
Total	37	50
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	1,549,004	2,737,766
Social security costs	177,661	330,336
Pension costs	173,702	222,938
	<u> </u>	<u> </u>
	1,900,367	3,291,040
	<u> </u>	<u> </u>

6 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	13,588	-
Other finance costs:		
Other interest	217	-
	<u> </u>	<u> </u>
	13,805	-
	<u> </u>	<u> </u>

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	185,527	180,932
Company pension contributions to defined contribution schemes	85,986	101,321
	<u>271,513</u>	<u>282,253</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 3).

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	163,610	15,269
	<u>163,610</u>	<u>15,269</u>

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(103,851)	5,776
	<u>(103,851)</u>	<u>5,776</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	999,197	180,933
	<u>999,197</u>	<u>180,933</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	249,799	34,377
Tax effect of expenses that are not deductible in determining taxable profit	16,043	15,816
Research and development tax credit	(363,935)	(81,817)
Effect of revaluations of investments	-	57,000
Capital allowances	(5,758)	(19,600)
	<u>(103,851)</u>	<u>5,776</u>
Taxation (credit)/charge for the year	(103,851)	5,776

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Dividends

	2023 £	2022 £
Final paid	-	4,000,000

11 Other gains and losses

	2023 £	2022 £
Changes in the fair value of investments	-	(300,000)

12 Tangible fixed assets

	Computer equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2023	12,021	263,893	275,914
Additions	-	97,479	97,479
Disposals	-	(22,582)	(22,582)
At 31 December 2023	12,021	338,790	350,811
Depreciation and impairment			
At 1 January 2023	3,005	136,857	139,862
Depreciation charged in the year	4,007	59,487	63,494
Eliminated in respect of disposals	-	(14,114)	(14,114)
At 31 December 2023	7,012	182,230	189,242
Carrying amount			
At 31 December 2023	5,009	156,560	161,569
At 31 December 2022	9,016	127,036	136,052

13 Investment property

	2023 £
Fair value	
At 1 January 2023 and 31 December 2023	1,700,000

Investment property has been valued as at the balance sheet date on an open market value by the directors of the company. The historical cost of the investment property was £2,235,293 (2022: £2,235,293).

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Subsidiaries

These financial statements are separate company financial statements for JCK Limited.

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
JCK Canada INC.	3600 Billings Court, Suite 103, Burlington, Ontario, L7R 3N6	Ordinary	100.00
JCK USA Ltd	1343 Canton Road, Suite H, Marietta, Georgia, GA-30066	Ordinary	100.00

The company has taken advantage of exemptions from disclosing the subsidiaries results on the basis that they are all members of a group where the parent of that group prepares publicly available consolidated financial statements, including this company and its subsidiary undertakings.

15 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	85	85

16 Stock

	2023 £	2022 £
Contract work in progress	1,195,197	4,431,054

17 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	2,439,762	3,621,460
Corporation tax recoverable	103,849	-
Amounts owed by group undertakings	2,850,825	2,371,395
Other debtors	276,432	537,774
Prepayments and accrued income	651,225	86,712
	6,322,093	6,617,341

Within the total trade debtor figure are group undertaking trade debtors of £165,416 (2022: £743,609) and accrued customer retentions totalling £837,802 (2022: £451,123).

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,868,138	2,046,386
Amounts owed to group undertakings	2,627,491	1,426,861
Corporation tax	-	5,777
Other taxation and social security	84,697	93,663
Other creditors	2,379,755	1,254,595
Accruals and deferred income	780,498	248,482
	<u>7,740,579</u>	<u>5,075,764</u>

Within the total trade creditor figure are group undertaking trade creditors of £511,206 (2022: £Nil).

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>173,702</u>	<u>222,938</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the company in an independently administered funds. Contributions totaling £8,485 (2022: £8,992) were payable to the scheme at the year end and are included in within other creditors.

20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>185</u>	<u>185</u>	<u>185</u>	<u>185</u>

21 Events after the reporting date

On 29 November 2024 a debenture with HSBC UK Bank PLC was created which created a fixed and floating charge over all assets of the company, in relation to new banking arrangements with this bank.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

22 Operating lease commitments

The operating leases represent leases of vehicles under a salary sacrifice arrangement under a fixed agreement agreement with a minimum average term of 36 months.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	12,602	-
Between two and five years	23,103	-
	<u>35,705</u>	<u>-</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	293,349	314,515

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Entities with control, joint control or significant influence over the entity

During the year the company was advanced net loans of £1,131,576 (2022: £3,926,861) by it's parent company, and repaid net loans of £69,053 (2022: £3,191,704). At the balance sheet date JCK Limited owed it's parent company £2,627,491 (2022: £1,426,861) in respect of net loans. The balance is repayable on demand, interest free and unsecured.

The parent company also invoiced the company £511,205 (2022: £300,000) in relation to job contracts profit share during the year. At the balance sheet date trade creditors included £511,205 (2022: £Nil) in this regard.

The company recharged costs to its parent company totalling £89,816 (2022: £187,956). At the balance sheet date the parent company owed the company £Nil (2022: £39,370) in this regard.

Entities over which the entity has control, joint control or significant influence

During the year the company recharged costs totalling £420,810 (2022: £730,769), advanced £1,454,329 (2022: £835,688) and was repaid £Nil (2022: £Nil) with 100% owned subsidiaries. At the balance sheet date these subsidiaries owed the company £165,416 (2022: £704,239) held in trade debtors and £2,325,725 (2022: £871,396) held in intercompany loan debtors. These balances are repayable on demand, interest free and unsecured.

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

23 Related party transactions

(Continued)

Other related parties

During the year the company; transacted turnover and recharges income of £99,100 (2022: £150,400), rent receivable income of £12,000 (2022: £12,000), cost of sales of £5,486,468 (2022: £7,272,695), administrative costs of £7,523 (2022: £26,207), rental property management services of £40,000 (2022: £nil) and loan interest payable of £13,588 (2022: £nil); advanced loans of £1,894,654 (2022: £1,830,460) and was repaid £2,030,000 (2022: 3,021,706); received loans of £1,400,000 (2022: £nil) and made loan repayments of £24,922 (2022: £nil), with companies with common control or significant influence. At the balance date trading trade debtors of £126,853 (2022: £1,612), trading trade creditors of £1,133,946 (2022: £1,501,420), loan debtors of £525,100 (2022: £1,500,000) and loan creditors of £1,413,588 (2022: £24,922) existed with these companies. Aside from the loan creditor of £1,400,000 capital, which attracts interest at 3.25% (variable) all other loan debtors and creditors are interest free, All loan debtors and creditors are repayable on demand and unsecured.

Transactions with directors

During the year the company paid rent to A M Crangle, a director, totalling £11,250 (2022: £11,250) and rent of £150,000 (2022: £150,000) to a trust in which three of the directors are beneficiaries. The company also purchased a pool car from A M Crangle for a sum of £32,000 (2022: £nil).

At the balance sheet date the company owed to A M Crangle £111,284 (2022: £763,109). This balance is repayable on demand, interest free and unsecured.

24 Ultimate controlling party

The immediate and ultimate parent company is JCK Engineering PTE Ltd, a company registered in Singapore, and which owns 100% of the issued share capital of the company. Their registered office address is Raffles Place, #27, Republic Plaza, Singapore (048619).

The ultimate controlling party is A M Crangle, director and sole shareholder of JCK Engineering PTE Ltd.

The company is consolidated into the financial statements of the ultimate parent company.

25 Cash generated from/(absorbed by) operations

	2023 £	2022 £
Profit for the year after tax	1,103,048	175,157
Adjustments for:		
Taxation (credited)/charged	(103,851)	5,776
Finance costs	13,805	-
Investment income	(163,610)	(15,269)
Gain on disposal of tangible fixed assets	(282)	(246)
Depreciation and impairment of tangible fixed assets	63,494	37,133
Other gains and losses	-	300,000
Movements in working capital:		
Decrease/(increase) in stock	3,235,857	(2,804,147)
Decrease in debtors	399,097	429,105
Increase in creditors	2,670,592	303,060
Cash generated from/(absorbed by) operations	7,218,150	(1,569,431)

JCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

26 Analysis of changes in net funds

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	1,206,228	7,273,451	8,479,679
	<u> </u>	<u> </u>	<u> </u>

