

McConnells Electrical Services Limited

Unaudited Abridged Financial Statements

(Companies House Version)

for the Year Ended 31 March 2020

Page Kirk LLP
Chartered Accountants
Sherwood House
7 Gregory Boulevard
Nottingham
NG7 6LB

McConnells Electrical Services Limited

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**Chartered Accountants' Report to the Board of Directors on the
Preparation of the Unaudited Statutory Accounts of
McConnells Electrical Services Limited
for the Year Ended 31 March 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of McConnells Electrical Services Limited for the year ended 31 March 2020 as set out on pages [2](#) to [10](#) from the company's accounting records and from information and explanations you have given us.

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

This report is made solely to the Board of Directors of McConnells Electrical Services Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of McConnells Electrical Services Limited and state those matters that we have agreed to state to the Board of Directors of McConnells Electrical Services Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than McConnells Electrical Services Limited and its Board of Directors as a body for our work or for this report.

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

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

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Page Kirk LLP
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15 December 2020

McConnells Electrical Services Limited

(Registration number: 03807055)

Abridged Balance Sheet as at 31 March 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	4	257,735	251,686
Investment property	5	287,819	287,819
Investments		<u>233,000</u>	<u>233,000</u>
		778,554	772,505
Current assets			
Stocks		2,128	17,331
Debtors		146,382	138,135
Cash at bank and in hand		<u>34,288</u>	<u>45,367</u>
		182,798	200,833
Creditors: Amounts falling due within one year	7	<u>(420,736)</u>	<u>(464,652)</u>
Net current liabilities		<u>(237,938)</u>	<u>(263,819)</u>
Total assets less current liabilities		540,616	508,686
Creditors: Amounts falling due after more than one year	8	(154,328)	(161,717)
Provisions for liabilities		<u>(22,195)</u>	<u>(19,291)</u>
Net assets		<u><u>364,093</u></u>	<u><u>327,678</u></u>
Capital and reserves			
Called up share capital		104	104
Profit and loss account		<u>363,989</u>	<u>327,574</u>
Total equity		<u><u>364,093</u></u>	<u><u>327,678</u></u>

The notes on pages [4](#) to [10](#) form an integral part of these abridged financial statements.

McConnells Electrical Services Limited
(Registration number: 03807055)
Abridged Balance Sheet as at 31 March 2020

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered to the Registrar in accordance with the provisions applicable to companies subject to the small companies' regime and the directors have not delivered to the Registrar a copy of the company's profit and loss account.

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Approved and authorised by the Board on 15 December 2020 and signed on its behalf by:

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Mr P A McConnell

Director

The notes on pages [4](#) to [10](#) form an integral part of these abridged financial statements.

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Cliff Nook House
Cliff Nook Lane
Newark
Nottinghamshire
NG24 1LY

These financial statements were authorised for issue by the Board on 15 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation of financial statements

These financial statements were prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards, including the Financial Reporting Standard 102 ('FRS 102') Section 1A small entities, and with the Companies Act 2006.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	25% straight line
Motor vehicles	33.33% straight line
Other tangibles	Renewals accounting
Plant and machinery	25% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Work in progress

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on the selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

During the year, the average number of employees at the company was 7 (2019 - 5).

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

4 Tangible assets

	Furniture, fittings and equipment £	Other tangibles £	Plant and machinery £	Total £
Cost or valuation				
At 1 April 2019	7,845	250,856	36,920	295,621
Additions	-	-	6,859	6,859
At 31 March 2020	<u>7,845</u>	<u>250,856</u>	<u>43,779</u>	<u>302,480</u>
Depreciation				
At 1 April 2019	7,845	-	36,090	43,935
Charge for the year	-	-	810	810
At 31 March 2020	<u>7,845</u>	<u>-</u>	<u>36,900</u>	<u>44,745</u>
Carrying amount				
At 31 March 2020	<u>-</u>	<u>250,856</u>	<u>6,879</u>	<u>257,735</u>
At 31 March 2019	<u>-</u>	<u>250,856</u>	<u>830</u>	<u>251,686</u>

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

5 Investment properties

	2020
	£
At 1 April	<u>287,819</u>
At 31 March	<u><u>287,819</u></u>

The directors have determined the fair value of investment property by reference to recent transactions for similar properties in the same area

There has been no valuation of investment property by an independent valuer.

6 Investments

	Associates	Total
	£	£
Cost or valuation		
At 1 April 2019	<u>233,000</u>	<u>233,000</u>
Provision		
Carrying amount		
At 31 March 2020	<u><u>233,000</u></u>	<u><u>233,000</u></u>
At 31 March 2019	<u><u>233,000</u></u>	<u><u>233,000</u></u>

7 Creditors: amounts falling due within one year

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £13,534 (2019 - £13,534).

Hire purchase agreements are secured against the assets to which they relate.

Bank loans are secured by; a debenture with the Royal Bank of Scotland dated 15 June 2015 containing a fixed charge, a floating charge (over all the property or undertaking of the company) and a negative pledge, a legal mortgage with the Royal Bank of Scotland dated 5 August 2015 containing a fixed charge over investment property with a carrying amount of £142,121 held by the company and a negative pledge, and a legal mortgage with the Royal Bank of Scotland dated 20 December 2018 containing a fixed charge over investment property with a carrying amount of £145,698 held by the company and a negative pledge.

McConnells Electrical Services Limited

Notes to the Abridged Financial Statements for the Year Ended 31 March 2020

8 Creditors: amounts falling due after more than one year

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £154,328 (2019 - £161,171).

Hire purchase agreements are secured against the assets to which they relate.

Bank loans are secured by; a debenture with the Royal Bank of Scotland dated 15 June 2015 containing a fixed charge, a floating charge (over all the property or undertaking of the company) and a negative pledge, a legal mortgage with the Royal Bank of Scotland dated 5 August 2015 containing a fixed charge over investment property with a carrying amount of £142,121 held by the company and a negative pledge, and a legal mortgage with the Royal Bank of Scotland dated 20 December 2018 containing a fixed charge over investment property with a carrying amount of £145,698 held by the company and a negative pledge.

Creditors include bank loans repayable by instalments of £100,191 (2019 - £107,580) due after more than five years.

9 Related party transactions

Loans to related parties

	Key management £
2020	
At start of period	18,373
Advanced	1,325
Repaid	<u>(2,000)</u>
At end of period	<u>17,698</u>
	Key management £
2019	
At start of period	<u>18,373</u>

Terms of loans to related parties

Interest is charged on loans to key management at the HM Revenue & Customs official rate of interest, except where loans have been included on the director's P11D forms.

The maximum amount of loans outstanding during the year was £19,698 (2019 - £18,373).