Registered number: 03392702

ANDREWS ELECTRICAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2018

ANDREWS ELECTRICAL LIMITED
REGISTERED NUMBER: 03392702

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		31 December 2018 £		30 June 2017 £
Fixed assets					
Tangible assets	4		19,514		13,847
			19,514		13,847
Current assets					
Stocks		190,900		174,878	
Debtors: amounts falling due within one year	5	509,364		628,088	
Cash at bank and in hand	6	101,098		36,350	
		801,362		839,316	
Creditors: amounts falling due within one year	7	(643,634)		(690,928)	
Net current assets			157,728		148,388
Total assets less current liabilities			177,242		162,235
Net assets			177,242		162,235
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			177,240		162,233
			177,242		162,235

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

A Dayman
Director

Date: 9 September 2019

The notes on pages 3 to 9 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

Andrews Electrical Limited ("the company") is a limited liability company incorporated and domiciled in the United Kingdom.

The address of its registered office is:

11 Centre Court

Vine Lane

Halesowen

West Midlands

B63 3EB

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the 18 months ended 31 December 2018 (2017: year ended 30 June 2017).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1. Accounting policies (continued)

1.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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

Turnover 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 turnover 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.

1.3 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

1.4 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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1. Accounting policies (continued)

1.5 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

1.6 Intangible assets

Goodwill

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

Other intangible assests

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Motor vehicles	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 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.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Creditors

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

1.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the

1. Accounting policies (continued)

1.12 Financial instruments (continued)

difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Employees

The average monthly number of employees, including directors, during the period was 27 (2017 - 27).

3. Intangible assets

	Goodwill
	£
Cost	
At 1 July 2017	2,200,000
At 31 December 2018	2,200,000
Amortisation	
At 1 July 2017	2,200,000
At 31 December 2018	2,200,000
Net book value	
At 31 December 2018	-
At 30 June 2017	-

4. Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost or valuation			
At 1 July 2017	122,387	4,800	127,187
Additions	-	12,525	12,525
At 31 December 2018	122,387	17,325	139,712
Depreciation			
At 1 July 2017	110,940	2,400	113,340
Charge for the period on owned assets	5,058	1,800	6,858
At 31 December 2018	115,998	4,200	120,198
Net book value			
At 31 December 2018	6,389	13,125	19,514
At 30 June 2017	11,447	2,400	13,847

5. Debtors

	31 December 2018	30 June 2017
	£	£
Trade debtors	263,171	462,068
Other debtors	246,193	166,020
	509,364	628,088

Included within other debtors due within one year are loans to the following directors:

- A Dayman amounting to £110,463 (2017: £128,448)

- A Ferneyhough amounting to £93,091 (2017: £Nil)

Both loans have been repaid in full since the balance sheet date.

6. Cash and cash equivalents

	31 December 2018 £	30 June 2017 £
Cash at bank and in hand	101,098	36,350
	101,098	36,350

7. Creditors: Amounts falling due within one year

	31 December 2018 £	30 June 2017 £
Trade creditors	171,229	227,850
Corporation tax	97,117	60,850
Other taxation and social security	92,902	89,550
Other creditors	235,736	306,508
Accruals and deferred income	46,650	6,170
	643,634	690,928

8. Share capital

	31 December 2018 £	30 June 2017 £
Allotted, called up and fully paid		
2 (2017 - 2) Ordinary shares of £1.00 each	2	2

9. Pension commitments

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions paid by the company to the scheme and amounted to £2,928 (2017: £3,106). Contributions totalling £1,592 (2017: £3,106) were payable to the fund at the balance sheet date and are included in creditors.

10. Related party transactions

Included within other creditors is an amount of £221,405 due to Andrews Fire & Security Limited. Andrews Fire & Security Limited is a company controlled by the directors. This amount has been repaid in full since the balance sheet date.

The company rents a property owned by the directors personally. The rent paid for the period ended 31 December 2018 was £60,000 (year ended 30 June 2017: £40,000).