

COMPANY REGISTRATION NUMBER: 08894793

**Orton Electrical &  
Mechanical Group Limited**

**Filleted Unaudited  
Financial Statements**

**31 March 2020**

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# **Orton Electrical & Mechanical Group Limited**

## **Financial Statements**

**Year ended 31 March 2020**

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# Orton Electrical & Mechanical Group Limited

## Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	360,684	268,145
Investments	6	400	400
		<u>361,084</u>	<u>268,545</u>
<b>Current assets</b>			
Debtors	7	1,508,876	342,217
Cash at bank and in hand		333,389	698,271
		<u>1,842,265</u>	<u>1,040,488</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>337,543</u>	<u>284,987</u>
<b>Net current assets</b>		<u>1,504,722</u>	<u>755,501</u>
<b>Total assets less current liabilities</b>		<u>1,865,806</u>	<u>1,024,046</u>
<b>Provisions</b>			
Taxation including deferred tax		47,763	39,104
<b>Net assets</b>		<u>1,818,043</u>	<u>984,942</u>
<b>Capital and reserves</b>			
Called up share capital		300	300
Profit and loss account		1,817,743	984,642
<b>Shareholders funds</b>		<u>1,818,043</u>	<u>984,942</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the 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.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

# Orton Electrical & Mechanical Group Limited

## Statement of Financial Position *(continued)*

**31 March 2020**

These financial statements were approved by the board of directors and authorised for issue on 27 August 2020, and are signed on behalf of the board by:



A.M. Lowe  
Director

Company registration number: 08894793

The notes on pages 3 to 8 form part of these financial statements.

# **Orton Electrical & Mechanical Group Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2020**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Dominique House, 1 Church Road, Netherton, Dudley, DY2 0LY.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The directors have considered the impact of the COVID 19 world pandemic upon the company. In light of the current restrictions imposed by and financial support offered by the UK government the directors are satisfied that the company will continue as a going concern for the foreseeable future, but as the full effect of the virus is not yet known there exists an uncertainty.

#### **Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

# Orton Electrical & Mechanical Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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

#### Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 25% reducing balance

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

# Orton Electrical & Mechanical Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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

#### Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

# Orton Electrical & Mechanical Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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

#### Finance leases and hire purchase contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 16 (2019: 16).



# Orton Electrical & Mechanical Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2020

#### 5. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 April 2019	31,688	54,075	509,414	77,992	<b>673,169</b>
Additions	26,907	2,647	196,604	13,136	<b>239,294</b>
Disposals	(4,264)	–	(22,401)	(115)	<b>(26,780)</b>
<b>At 31 March 2020</b>	<b>54,331</b>	<b>56,722</b>	<b>683,617</b>	<b>91,013</b>	<b>885,683</b>
<b>Depreciation</b>					
At 1 April 2019	14,117	35,138	303,156	52,613	<b>405,024</b>
Charge for the year	7,357	8,440	114,422	11,866	<b>142,085</b>
Disposals	(1,295)	–	(20,805)	(10)	<b>(22,110)</b>
<b>At 31 March 2020</b>	<b>20,179</b>	<b>43,578</b>	<b>396,773</b>	<b>64,469</b>	<b>524,999</b>
<b>Carrying amount</b>					
<b>At 31 March 2020</b>	<b>34,152</b>	<b>13,144</b>	<b>286,844</b>	<b>26,544</b>	<b>360,684</b>
At 31 March 2019	17,571	18,937	206,258	25,379	268,145

#### 6. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	<b>400</b>
<b>Impairment</b>	
At 1 April 2019 and 31 March 2020	<b>–</b>
<b>Carrying amount</b>	
At 31 March 2020	<b>400</b>
At 31 March 2019	400

The company owns 100% of the issued share capital of Orton Electrical Services Limited. For the year ended 31 March 2020 Orton Electrical Services Limited made a profit of £382,767 (2019: £425,550) and had capital and reserves of £548,676 (2019:£971,224).

The company owns 100% of the issued share capital of Orton Mechanical Services Limited. For the year ended 31 March 2020 Orton Mechanical Services Limited made a profit of £12,033 (2019: £148,938) and had capital and reserves of £424,297 (2019:£614,559).

The company owns 100% of the issued share capital of Orton Maintenance Limited. Throughout the year ended 31 March 2020 Orton Maintenance Limited was dormant.

The company owns 100% of the issued share capital of Orton Technical Services Limited. Throughout the year ended 31 March 2020 Orton Technical Services Limited was dormant.

# Orton Electrical & Mechanical Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 7. Debtors

	2020 £	2019 £
Trade debtors	–	497
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,247,732	240,236
Other debtors	261,144	101,484
	<u>1,508,876</u>	<u>342,217</u>

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

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

	2020 £	2019 £
Trade creditors	161,078	110,736
Social security and other taxes	16,163	86,447
Other creditors	160,302	87,804
	<u>337,543</u>	<u>284,987</u>

### 9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Later than 1 year and not later than 5 years	–	53,467

### 10. Events after the end of the reporting period

The COVID 19 outbreak and resulting measures taken by various governments to contain the virus have affected the business in the first few months of 2020.

The business has experienced a decline in revenues compared to the same period in 2019 but has experienced no bad debts to date. Whether revenues and profitability will improve in the remainder of 2020 is dependent on the period during which the regions in which the business operates are exposed to COVID 19 and the extent to which government may be prolonged, expanded or scaled down.

### 11. Director's advances, credits and guarantees

Within other debtors is an overdrawn director current account balance amounting to £129,939 (2019: NIL). It is an interest free unsecured loan to the director, Mr A Lowe.

### 12. Related party transactions

The company was under the control of Mr A.M Lowe, by virtue of his controlling interest in the share capital of the company.