Company Registration No. 02418351 (England and Wales)

J.M.C. AG LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

PAGES FOR FILING WITH REGISTRAR

J.M.C. AG LIMITED

CONTENTS

J.M.C. AG LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Non-current assets					
Property, plant and equipment	4		8,379,979		8,587,406
Investment properties	5		59,529		59,529
Investments	6		497,909		-
			8,937,417		8,646,935
Current assets					
Inventories		67,169		86,091	
Trade and other receivables falling due after more than one year	7	965,064		828,600	
Trade and other receivables falling due within one year	7	934,434		915,409	
Cash and cash equivalents		436,616		280,419	
		2,403,283		2,110,519	
Current liabilities	8	(2,432,580)		(2,224,285)	
Net current liabilities			(29,297)		(113,766)
Total assets less current liabilities			8,908,120		8,533,169
Non-current liabilities	9		(2,491,204)		(2,430,841)
Provisions for liabilities			(585,000)		(469,000)
Net assets			5,831,916		5,633,328
Equity					
Called up share capital			300		300
Retained earnings			5,831,616		5,633,028
Total equity			5,831,916		5,633,328

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

J.M.C. AG LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 16 April 2021 and are signed on its behalf by:

Mr J W Smith
Director

Company Registration No. 02418351

1 Accounting policies

Company information

J.M.C. AG Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9 St Johns Place, Newport, Isle of Wight, PO30 1LH.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company started the year with normal levels of trade, however as with many businesses the company has been impacted by the global covid-19 virus. Plant hire turnover decreased whilst the building industry adjusted to the impact of the virus and as a direct result of the cancellation of events and festivals.

During this period the company has used government support offered to business affected by covid-19 (such as the Job retention scheme for a short period), and the Bounce Bank loan scheme to help with the immediate cash flow issues arising from the sudden imposition of the first lockdown in March 2020.

As the restrictions were lifted trade increased over three months and the company has now returned to pre covid levels.

The current levels of trade and enquires suggest a profitable future through to next year and beyond therefore 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 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1 Accounting policies **(Continued)**

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

Revenue from the hire of equipment is recognised on the completion of the hire period where the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Plant and machinery	- at various rates
Fixtures, fittings and equipment	- 15% on reducing balance
Computer equipment	- 33% on cost
Motor vehicles	- 25% on reducing balance

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.

1.6 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.

1.7 Non-current 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.

1 Accounting policies **(Continued)**

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.

1.8 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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.

1.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 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 Accounting policies **(Continued)**

1.11 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 statement of financial position 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 trade and other receivables 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.

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 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.

1.13 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 income statement 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.

1 Accounting policies **(Continued)**

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 income statement, 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.

1.14 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 non-current 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.

1.15 Retirement benefits

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

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	2020 Number	2019 Number
Total	17	16

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2019 and 30 September 2020	100,000
Amortisation and impairment	
At 1 October 2019 and 30 September 2020	100,000
Carrying amount	
At 30 September 2020	-
At 30 September 2019	-

4 Property, plant and equipment

	Plant and machinery etc £
Cost	
At 1 October 2019	14,639,327
Additions	2,365,148
Disposals	(1,688,656)
At 30 September 2020	15,315,819
Depreciation and impairment	
At 1 October 2019	6,051,921
Depreciation charged in the year	1,697,670
Eliminated in respect of disposals	(813,751)
At 30 September 2020	6,935,840
Carrying amount	
At 30 September 2020	8,379,979
At 30 September 2019	8,587,406

4 Property, plant and equipment **(Continued)**

The non current assets of the company has been used to secure the bank loan.

Plant and machinery with a carrying amount of £4,818,120 (2019 - £4,842,693) have been pledged to secure the hire purchase borrowings of the company.

5 Investment property

	2020
	£
Fair value	
At 1 October 2019 and 30 September 2020	59,529

The directors consider there to be no material change in the fair value of the property compared to the price paid.

6 Fixed asset investments

	2020	2019
	£	£
Shares in group undertakings and participating interests	2	-
Other investments other than loans	497,907	-
	497,909	-

Fixed asset investments not carried at market value
Investments in group undertakings and investments other than loans are stated at cost.

Movements in non-current investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 October 2019	-	-	-
Additions	2	497,907	497,909
At 30 September 2020	2	497,907	497,909
Carrying amount			
At 30 September 2020	2	497,907	497,909
At 30 September 2019	-	-	-

7 Trade and other receivables

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade receivables	571,328	652,436
Other receivables	363,106	262,973
	934,434	915,409

	2020	2019
Amounts falling due after more than one year:	**£**	**£**
Corporation tax recoverable	56,794	56,794
Other receivables	908,270	771,806
	965,064	828,600
Total debtors	1,899,498	1,744,009

8 Current liabilities

	2020	2019
	£	**£**
Bank loans and overdrafts	8,351	44,462
Trade payables	407,515	221,356
Amounts owed to group undertakings	13,325	-
Corporation tax	-	119,205
Other taxation and social security	11,294	64,436
Other payables	1,992,095	1,774,826
	2,432,580	2,224,285

Other payables include hire purchase liabilities of £1,615,584 (2019: £1,597,744) are secured by fixed and floating charges over the assets of the company. Bank loans and overdrafts of £8,333 (2019:44,444) are secured by fixed and floating charges over the company.

9 Non-current liabilities

	2020	2019
	£	**£**
Bank loans and overdrafts	91,667	-
Other payables	2,399,537	2,430,841
	2,491,204	2,430,841

9 Non-current liabilities **(Continued)**

Other payables consist of hire purchase liabilities of £2,399,537 (2019: £2,430,841) are secured by a fixed and floating charge over the assets of the company. Banks loans of £91,667 (2019: nil) are secured by a fixed and floating charge over the assets of the company.

Creditors which fall due after five years are as follows:	2020	2019
	£	£
Payable by instalments	19,480	13,674

10 Events after the reporting date

Since the year end dividends totalling £45,000 have been voted.

11 Related party transactions

As at the year end JMC Ag Limited has as outstanding guarantee for the benefit of it's subsidiary company totalling £40,000 of debt due and in connection with any other losses, liabilities, damages, demands and expenses of a third party that may become due in connection with the debt if it is not recoverable or with the subsidiary's failure to pay its obligations. This debt has been settled post year end by the subsidiary company.

12 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Amounts repaid	Closing balance
		£	£	£	£	£
Directors loan account	2.50	137,498	49,133	5,777	(60,000)	132,408
		137,498	49,133	5,777	(60,000)	132,408