Registered number: 10937610

PRIORITY ENGINEERING LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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COMPANIES HOUSE

PRIORITY ENGINEERING LTD
REGISTERED NUMBER: 10937610

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets			**43,359**		-
Current assets					
Debtors	5	**3,031,887**		2,114,605	
Cash at bank and in hand	6	**673,109**		1,994,347	
		3,704,996		4,108,952	
Creditors: amounts falling due within one year	7	**(2,442,054)**		(3,630,439)	
Net current assets			**1,262,942**		478,513
Total assets less current liabilities			**1,306,301**		478,513
Creditors: amounts falling due after more than one year	8		**(395,000)**		(395,000)
Net assets			**911,301**		83,513
Capital and reserves					
Called up share capital	9		**100**		100
Profit and loss account			**911,201**		83,413
			911,301		83,513

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

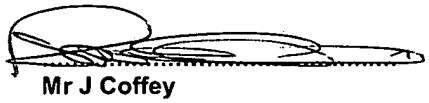
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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:



Mr J Coffey
Director

Date: 15/12/20

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

Priority Engineering Limited is a private limited company, incorporated in England and Wales.

The registered office and principal place of business is 43 The Broadway, Haywards Heath, RH16 3AS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2. Accounting policies (continued)

2.4 Revenue recognition

Revenue comprises the contract sales valuation (excluding VAT and trade discounts) of goods and services in the normal course of business. Revenue is derived entirely from the provision of specialist building services within the United Kingdom.

Revenue represents, in the case of long-term contracts, the proportion of contract value applicable to the activity in the year, ascertained by reference to the costs incurred to date. These costs are matched with the revenue, resulting in the reporting of attributable profit proportionate to the contract activity. Where the outcome of a contract cannot be foreseen with reasonable certainty but no loss is expected, revenue and costs are recorded as the activity progresses using a zero estimate of profit. In respect of short-term contracts the revenue is recorded at cost plus attributable overheads.

Estimates of total contract costs and revenues are reviewed periodically and the cumulative effects of changes are recognised in the period in which they are identified. All known or anticipated losses are provided for in full as soon as they are foreseen. All costs incurred are recorded as cost of sales. Revenues recognised in excess of amounts billed are classified as amounts recoverable on contracts and included in debtors. Where cash is received in advance of the contract valuation, the balance is recognised as part of creditors due within one year, as payments received on account.

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2. Accounting policies (continued)

2.9 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 Statement of Income and Retained Earnings 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.

2.10 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.

2.11 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 3 per annum
Computer equipment	- 3 per annum

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.

2.12 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.

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2019 - 11).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. Tangible fixed assets

	Motor vehicles £	Computer equipment £	Total £
Cost or valuation			
Additions	**38,371**	**10,444**	**48,815**
At 30 September 2020	**38,371**	**10,444**	**48,815**
Depreciation			
Charge for the year on owned assets	**4,264**	**1,192**	**5,456**
At 30 September 2020	**4,264**	**1,192**	**5,456**
Net book value			
At 30 September 2020	**34,107**	**9,252**	**43,359**
At 30 September 2019	-	-	-

5. Debtors

	2020 £	2019 £
Trade debtors	**431,016**	1,319,018
Amounts owed by group undertakings	**1,939,245**	18,603
Other debtors	**75,928**	-
Prepayments and accrued income	**121,183**	22,610
Amounts recoverable on long term contracts	**464,515**	754,374
	3,031,887	2,114,605

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	**673,109**	1,994,347

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	**819,310**	1,434,125
Amounts owed to group undertakings	**259,139**	219,309
Corporation tax	**89,919**	24,621
Other taxation and social security	**62,666**	511,780
Other creditors	**13,186**	3,284
Accruals and deferred income	**1,197,834**	1,437,320
	2,442,054	3,630,439

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	**395,000**	395,000

The following liabilities were secured:

	2020 £	2019 £
Loan - Tranche Limited	**295,000**	295,000
Loan - Director	**100,000**	100,000
	395,000	395,000

Details of security provided:

The loans are secured by a fixed and floating charge against assets of the Company.

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	**100**	100

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £4,850 (2019: £3,137) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

At the year end the balance due to J Coffey Plant Limited was £12,635 (2019: £24,700), a company with common directors. During the year there were purchases made between intercompanies for the value of £10,529.

At the year end the balance due to J Coffey Construction Limited was £199,819 (2019: £219,309), a company with common directors. Interest is accruing on this balance at 4% per annum. Total interest accrued during the year was £7,995 (2019: £7,995)

At the year end the balance due from J Coffey Construction Limited was £309,707 (2019: £6,175) for a Company with common directors. There was also a retention with the company for the value of £61,250 and an accrued income balance for £227,435. This brings the total debtor for the year to £598,392.

During the year there were intercompany transactions with J Coffey Construction Limited, being purchases of £62,400 and sales of £1,182,702.

At the year end the balance due to J Coffey Construction Ireland Limited was £46,685 (2019: £-nil), a company with common directors. There was also an intercompany accrual of £596,122 alongside an accrued income balance of £90,702. This leaves the total balance owed at the year end at £552,105.

During the year there were intercompany transactions with J Coffey Construction Ireland Limited, being purchases of £688,925 and sales of £90,720.

At the year end the balance due from Priority Engineering Services (Ireland) Limited was £1,629,537 (2019: £12,428), a company with common directors.

During the year, a Director loaned the Company £100,000 (2019: £100,000). Interest is accruing on this loan at 4% per annum. Total interest accrued during the year was £4,000 (2019: £3,660).

12. Parent company

The parent undertaking during the year was J Coffey Construction Limited, a Company registered in England and Wales.

On 16 March 2020, there was a group restructure, from this date the ultimate parent undertaking is J Coffey Holdings Limited.