

Registered number  
01480389

Sunray Engineering Limited  
Report and Financial Statements

31 July 2020



**Sunray Engineering Limited**  
**Report and accounts**  
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**Sunray Engineering Limited  
Company Information**

**Directors**

R C E Hearn  
Mrs S Birrell  
R H Lampon  
S Ballard  
D Kerry

**Secretary**

M G Ede

**Auditors**

Azets Audit Services  
Globe House, Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
ME14 3EN

**Bankers**

HSBC  
39 High St  
Ashford  
Kent  
TN24 8TG

**Accountants**

Network 4M Limited  
Park Farm Barn  
Brabourne  
Kent  
TN25 6RG

**Registered office**

Unit 6 Kingsnorth Industrial Estate  
Wotton Road  
Ashford  
Kent  
TN23 6LL

**Registered number**

01480389

**Sunray Engineering Limited**

Registered number: 01480389

**Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2020.

**Dividends**

The directors do not recommend the payment of a further dividend.

**Directors**

The following persons served as directors during the year:

R C E Hearn  
Mrs S Birrell  
R H Lampon  
S Ballard  
D Kerry

**Directors' responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Change in name of Auditors**

On 7 September 2020, Group Audit Services trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on <sup>29/4</sup>.....2021 and signed on its behalf.



S Ballard  
Director

## **Sunray Engineering Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Sunray Engineering Limited Strategic Report

### Business Review

We aim to present a balanced and comprehensive review of the development and performance of the business during the year, and its position at the year end. The review is consistent with the size and nature of our business and is written in the context of the risks, uncertainties and challenges faced.

The group's principal activity during the year continued to be that of the Design, Manufacture and Installation of Steel Fire and Security Doors, Steel Louvre Systems, Steel Blast and Ballistic Doors and Panels, Security Window Bars and GRP Walkways and Platforms.

The trading conditions have been unusually competitive due to many businesses sacrificing profit for turnover, however we have maintained a good level Sales and Profitability. Gross profit margins remain consistent with the variations according to the product type and Sales mix. The company as a group, has also been working closely with Prestige Fire Door Services Limited, exploiting the synergies of the two businesses, which is assisting in growing further market opportunities.

### Principal Risks and Uncertainties

Without doubt the Covid pandemic has impacted the Sunray Group particularly in certain sectors and this is evident with a number of businesses of similar size, and the commercial environments in which we all operate. Conditions continue to be challenging with a degree of uncertainty due to the ever-changing roadmap out of lockdown, however the Business has remained fully operational.

As with all businesses in our sector, the company is exposed to risk during the conduct of normal trading operations. Therefore, a number of strategies are in place to mitigate such risks wherever possible. Specifically, the risks include price fluctuations and availability of raw materials due to both Covid and Brexit, Debtors defaulting and potential bad debt and changing product performance criteria. This has accelerated the need for product development and diversification to meet the changing regulations, economic climate and commercial spending patterns.

With these risks and uncertainties in mind, we are aware that strategies must remain fluid and any plans for the short, mid and longer term may be subject to change due to unforeseen events outside of our control.

The Group is well-placed to withstand a period of low activity resulting from and following the Covid19 Crisis. At the commencement of the Crisis, it had net assets of £7.8 million of which £4.4 million was in cash. It had an order book of some £3.2 million most of which related to major projects in London some of which are yet to be completed. In a worst-case scenario with a dramatic reduction in Sales, there are sufficient funds to meet all outgoings for 12 months, million of which £4.4 million was in cash. It had an order book of some £3.2 million most of which was relate to major projects in London which have to be completed. Even without any sales, there are sufficient funds to meet all outgoings for 12 months.

This report was approved by the board on 29/4 2021 and signed by its order.

  
S Ballard  
Director

**Sunray Engineering Limited**  
**Independent auditor's report**  
**to the members of Sunray Engineering Limited**

**Opinion**

We have audited the financial statements of Sunray Engineering Limited (the 'company') for the year ended 31 July 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Sunray Engineering Limited**  
**Independent auditor's report**  
**to the members of Sunray Engineering Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

Marc Farmer FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Azets Audit Services  
Statutory Auditor  
29 April 2021

Globe House, Eclipse Park  
Sittingbourne Road  
Maldstone  
Kent  
ME14 3EN

**Sunray Engineering Limited**  
**Income Statement**  
**for the year ended 31 July 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	2	8,963,384	10,219,601
Cost of sales		(4,024,301)	(4,584,816)
<b>Gross profit</b>		<u>4,939,083</u>	<u>5,634,785</u>
Administrative expenses		(4,859,099)	(3,282,444)
Other operating income		294,473	-
<b>Operating profit</b>	3	<u>374,457</u>	<u>2,352,341</u>
Loss on sale of fixed assets		(30,330)	-
Interest receivable		15,536	17,310
Interest payable	6	(912)	(912)
<b>Profit on ordinary activities before taxation</b>		<u>358,751</u>	<u>2,368,739</u>
Tax on profit on ordinary activities	7	(39,223)	(452,792)
<b>Profit for the financial year</b>		<u>319,528</u>	<u>1,915,947</u>

**Sunray Engineering Limited**  
**Statement of Comprehensive Income**  
**for the year ended 31 July 2020**

	<b>Notes</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Profit for the financial year</b>		319,528	1,915,947
<b>Other comprehensive income</b>			
Gain on revaluation of land and buildings	8	-	400,825
<b>Total comprehensive income for the year</b>		<u>319,528</u>	<u>2,316,772</u>

**Sunray Engineering Limited**  
**Statement of Financial Position**  
**as at 31 July 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	2,537,270	2,239,797
<b>Current assets</b>			
Stocks	9	284,140	515,277
Debtors	10	1,526,356	1,908,401
Cash at bank and in hand		4,879,586	4,408,513
		<u>6,690,082</u>	<u>6,832,191</u>
<b>Creditors: amounts falling due within one year</b>	11	(2,772,299)	(2,527,155)
<b>Net current assets</b>		<u>3,917,783</u>	<u>4,305,036</u>
<b>Total assets less current liabilities</b>		<u>6,455,053</u>	<u>6,544,833</u>
<b>Creditors: amounts falling due after more than one year</b>	12	-	(3,250)
<b>Provisions for liabilities</b>			
Deferred taxation	14	(78,387)	(34,445)
<b>Net assets</b>		<u>6,376,666</u>	<u>6,507,138</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Other reserves	16	840,639	840,639
Profit and loss account	17	5,535,927	5,666,399
<b>Total equity</b>		<u>6,376,666</u>	<u>6,507,138</u>



S Ballard  
 Director  
 Approved by the board on 29/4 2021

**Sunray Engineering Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 July 2020**

	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
<b>At 1 August 2018</b>	100	439,814	5,442,387	5,882,301
Profit for the financial year			1,915,947	1,915,947
Gain on revaluation of land and buildings		400,825		400,825
Other comprehensive income for the financial year	-	400,825	-	400,825
Total comprehensive income for the financial year	-	400,825	1,915,947	2,316,772
Dividends			(1,691,935)	(1,691,935)
<b>At 31 July 2019</b>	<u>100</u>	<u>840,639</u>	<u>5,666,399</u>	<u>6,507,138</u>
<b>At 1 August 2019</b>	100	840,639	5,666,399	6,507,138
Profit for the financial year			319,528	319,528
Dividends			(450,000)	(450,000)
<b>At 31 July 2020</b>	<u>100</u>	<u>840,639</u>	<u>5,535,927</u>	<u>6,376,666</u>

**Sunray Engineering Limited**  
**Statement of Cash Flows**  
**for the year ended 31 July 2020**

	Notes	2020 £	2019 £
<b>Operating activities</b>			
Profit for the financial year		319,528	1,915,947
Adjustments for:			
Loss on sale of fixed assets		30,330	-
Interest receivable		(15,536)	(17,310)
Interest payable		912	912
Tax on profit on ordinary activities		39,223	452,792
Depreciation		173,793	85,275
Decrease/(increase) in stocks		231,137	(81,391)
Decrease in debtors		382,045	218,800
Increase in creditors		723,390	797,239
		<u>1,884,822</u>	<u>3,372,264</u>
Interest received		15,536	17,310
Interest element of finance lease payments		(912)	(912)
Corporation tax paid		(472,877)	(613,095)
		<u>1,426,569</u>	<u>2,775,567</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(505,123)	(626,482)
Proceeds from sale of tangible fixed assets		3,527	-
		<u>(501,596)</u>	<u>(626,482)</u>
<b>Financing activities</b>			
Equity dividends paid		(450,000)	(1,691,935)
Capital element of finance lease payments		(3,900)	(3,900)
		<u>(453,900)</u>	<u>(1,695,835)</u>
<b>Net cash generated</b>			
Cash generated by operating activities		1,426,569	2,775,567
Cash used in investing activities		(501,596)	(626,482)
Cash used in financing activities		(453,900)	(1,695,835)
		<u>471,073</u>	<u>453,250</u>
Cash and cash equivalents at 1 August		<u>4,408,513</u>	<u>3,955,263</u>
Cash and cash equivalents at 31 July		<u>4,879,586</u>	<u>4,408,513</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>4,879,586</u>	<u>4,408,513</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Land and Buildings are recorded at valuation rather than cost. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	In accordance with the property
Improvements to property	10% on cost
Motor vehicles	25% on reducing balance
Plant & machinery, Fixtures, fittings, tools and equipment	25% on reducing balance

***Government Grants***

The company has benefited from grants under the coronavirus job retention scheme, these have been accounted for under the accruals basis and are included within other operating income.

***Stocks***

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

<b>2 Analysis of turnover</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Sale of goods	<u>8,963,384</u>	<u>10,219,601</u>
By geographical market:		
UK	8,786,278	10,219,601
Rest of world	<u>177,106</u>	<u>-</u>
	<u>8,963,384</u>	<u>10,219,601</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

<b>3 Operating profit</b>	<b>2020</b>	<b>2019</b>
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	168,346	78,013
Depreciation of assets held under finance leases and hire purchase contracts	5,447	7,262
Auditors' remuneration for audit services	<u>27,705</u>	<u>9,000</u>
<b>4 Directors' emoluments</b>	<b>2020</b>	<b>2019</b>
	£	£
Emoluments	<u>2,004,650</u>	<u>802,757</u>
Highest paid director: Emoluments	<u>1,575,615</u>	<u>416,693</u>
<b>5 Staff costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	3,385,448	1,874,661
Social security costs	-	-
Other pension costs	<u>193,846</u>	<u>191,496</u>
	<u>3,579,294</u>	<u>2,066,157</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	13	13
Development	7	6
Distribution	5	6
Manufacturing	28	32
Sales	<u>12</u>	<u>12</u>
	<u>65</u>	<u>69</u>
<b>6 Interest payable</b>	<b>2020</b>	<b>2019</b>
	£	£
Finance charges payable under finance leases and hire purchase contracts	<u>912</u>	<u>912</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

<b>7 Taxation</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	23,128	443,568
Adjustments in respect of previous periods	(27,847)	-
	<u>(4,719)</u>	<u>443,568</u>
Deferred tax:		
Origination and reversal of timing differences	43,942	9,224
	<u>39,223</u>	<u>452,792</u>
Tax on profit on ordinary activities	<u>39,223</u>	<u>452,792</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>358,751</u>	<u>2,368,739</u>
Standard rate of corporation tax in the UK	19%	19%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	68,163	450,060
Effects of:		
Expenses not deductible for tax purposes	(45,035)	(6,492)
Adjustments to tax charge in respect of previous periods	(27,847)	-
Current tax charge for period	<u>(4,719)</u>	<u>443,568</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**8 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings, tools and equipment</b>	<b>Total</b>
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2019	1,900,000	208,916	1,004,368	3,113,284
Additions	-	92,769	412,354	505,123
Disposals	-	(62,085)	(170,191)	(232,276)
At 31 July 2020	<u>1,900,000</u>	<u>239,600</u>	<u>1,246,531</u>	<u>3,386,131</u>
<b>Depreciation</b>				
At 1 August 2019	-	82,079	791,408	873,487
Charge for the year	-	22,560	151,233	173,793
On disposals	-	(51,384)	(147,035)	(198,419)
At 31 July 2020	<u>-</u>	<u>53,255</u>	<u>795,606</u>	<u>848,861</u>
<b>Carrying amount</b>				
At 31 July 2020	<u>1,900,000</u>	<u>186,345</u>	<u>450,925</u>	<u>2,537,270</u>
At 31 July 2019	<u>1,900,000</u>	<u>126,837</u>	<u>212,960</u>	<u>2,239,797</u>

	<b>2020</b>	<b>2019</b>
	£	£
Carrying amount of land and buildings on cost basis	<u>1,160,461</u>	<u>1,160,461</u>

Freehold land and buildings were valued on an open market basis on 19 February 2020 by Stafford Perkins

	<b>2020</b>	<b>2019</b>
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>16,339</u>	<u>21,786</u>

**9 Stocks**

	<b>2020</b>	<b>2019</b>
	£	£
Raw materials and consumables	266,123	324,854
Work in progress	46,077	190,423
Finished goods and goods for resale	(28,060)	-
	<u>284,140</u>	<u>515,277</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

<b>10 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	565,856	831,223
Amounts owed by group undertakings and undertakings in which the company has a participating interest	781,300	744,571
Other debtors	-	17,882
Prepayments and accrued income	179,200	314,725
	<u>1,526,356</u>	<u>1,908,401</u>
<b>11 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Obligations under finance lease and hire purchase contracts	3,250	3,900
Trade creditors	495,549	1,141,659
Amounts owed to group undertakings and undertakings in which the company has a participating interest	26,372	26,372
Corporation tax	(402,161)	75,435
Other taxes and social security costs	470,923	291,972
Other creditors	649,540	721,195
Accruals and deferred income	1,528,826	266,622
	<u>2,772,299</u>	<u>2,527,155</u>
<b>12 Creditors: amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Obligations under finance lease and hire purchase contracts	-	3,250
	<u>-</u>	<u>3,250</u>
<b>13 Obligations under finance leases and hire purchase contracts</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Within one year	3,250	3,900
Within two to five years	-	3,250
	<u>3,250</u>	<u>7,150</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

<b>14 Deferred taxation</b>			<b>2020</b>	<b>2019</b>
			£	£
Accelerated capital allowances			<u>78,387</u>	<u>34,445</u>
			<b>2020</b>	<b>2019</b>
			£	£
At 1 August			34,445	25,220
Charged to the profit and loss account			43,942	9,225
			<u>78,387</u>	<u>34,445</u>
At 31 July				
<b>15 Share capital</b>	<b>Nominal value</b>	<b>2020 Number</b>	<b>2020 £</b>	<b>2019 £</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>
<b>16 Other reserves</b>			<b>2020</b>	<b>2019</b>
Revaluation reserve			£	£
At 1 August			840,639	439,814
Gain on revaluation of land and buildings			-	400,825
			<u>840,639</u>	<u>840,639</u>
At 31 July				
<b>17 Profit and loss account</b>			<b>2020</b>	<b>2019</b>
			£	£
At 1 August			5,666,399	5,442,387
Profit for the financial year			319,528	1,915,947
Dividends			(450,000)	(1,691,935)
			<u>5,535,927</u>	<u>5,666,399</u>
At 31 July				
<b>18 Dividends</b>			<b>2020</b>	<b>2019</b>
			£	£
Dividends on ordinary shares (note 17)			<u>450,000</u>	<u>1,691,935</u>

**Sunray Engineering Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**19 Other financial commitments**

Total future minimum lease payments under non-cancellable operating leases:

	<b>Other 2020</b>	<b>Other 2019</b>
	£	£
Falling due:		
within one year	32,286	52,619
within two to five years	8,950	55,187
	<u>41,236</u>	<u>107,806</u>

**20 Related party transactions**

Sunray Engineering Limited is a wholly owned subsidiary of Sunray Engineering Group Limited, a company incorporated in England and Wales. At 31 July 2020 Sunray Engineering Group Limited owed Sunray Engineering Limited £600,711.42 (2019 - £600,811.42). Sunray Engineering Limited owed Sunray Doors Limited (formally Sunray Engineering (Northern) Limited) £26,371.55 (2019 - £26,371.55). Prestige Fire Door Services Limited owed Sunray Engineering Limited £180,588.48 (2019 - £143,759.13)

No other related party transactions were made, other than those made under normal market conditions at an arms length basis.

**21 Controlling party**

The company's ultimate parent company and controlling party is Sunray Engineering Group Limited, which is incorporated in England & Wales.

**22 Presentation currency**

The financial statements are presented in Sterling.

**23 Legal form of entity and country of incorporation**

Sunray Engineering Limited is a private company limited by shares and incorporated in England.

**24 Principal place of business**

The address of the company's principal place of business and registered office is:

Unit 6 Kingsnorth Industrial Estate  
Wotton Road  
Ashford  
Kent  
TN23 6LL

**Sunray Engineering Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2020**

*This schedule does not form part of the statutory accounts*

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>	8,963,384	10,219,601
Cost of sales	(4,024,301)	(4,584,816)
<b>Gross profit</b>	<u>4,939,083</u>	<u>5,634,785</u>
Administrative expenses	(4,859,099)	(3,282,444)
Other operating income	294,473	-
<b>Operating profit</b>	<u>374,457</u>	<u>2,352,341</u>
Loss on sale of fixed assets	(30,330)	-
Interest receivable	15,536	17,310
Interest payable	(912)	(912)
<b>Profit before tax</b>	<u>358,751</u>	<u>2,368,739</u>

**Sunray Engineering Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2020**

*This schedule does not form part of the statutory accounts*

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>		
Sale of goods	<u>8,963,384</u>	<u>10,219,601</u>
<b>Cost of sales</b>		
Purchases	1,950,932	2,132,778
Decrease in stocks	-	183,788
Subcontractor costs	513,996	454,501
Direct labour	1,033,817	1,173,414
Carriage	375,673	458,909
Other direct costs	<u>149,883</u>	<u>181,426</u>
	<u>4,024,301</u>	<u>4,584,816</u>
<b>Administrative expenses</b>		
Employee costs:		
Wages and salaries	1,179,195	1,024,427
Directors' salaries	2,206,253	850,234
Pensions	193,846	191,496
Temporary staff and recruitment	22,810	31,377
Staff training and welfare	73,175	116,780
Travel and subsistence	69,595	33,825
Motor expenses	44,905	35,883
Entertaining	<u>3,239</u>	<u>5,265</u>
	<u>3,793,018</u>	<u>2,289,287</u>
Premises costs:		
Rent	8,019	6,549
Rates	51,712	49,963
Light and heat	67,562	78,297
Security and safety costs	7,386	9,752
Cleaning	<u>13,424</u>	<u>13,448</u>
	<u>148,103</u>	<u>158,009</u>
General administrative expenses:		
Telephone and internet	24,386	23,294
Postage	-	3,000
Stationery and printing	38,983	48,391
Subscriptions	4,159	5,819
Bank charges	7,468	7,727
Insurance	126,764	75,048
Equipment expensed	3,605	3,565
Equipment hire	49,487	64,253
Software	96,746	116,510
Repairs and maintenance	69,946	50,591
Depreciation	173,793	85,275
Bad debts	(43)	14,061
Sundry expenses	<u>6,561</u>	<u>13,916</u>
	<u>601,855</u>	<u>511,450</u>
Legal and professional costs:		
Audit fees	27,705	9,000
Accountancy fees	55,635	43,478
Management fees	-	8,503

**Sunray Engineering Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2020**

*This schedule does not form part of the statutory accounts*

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Advertising and PR	174,634	165,062
Other legal and professional	58,149	97,655
	<u>316,123</u>	<u>323,698</u>
	<u>4,859,099</u>	<u>3,282,444</u>
<b>Other operating income</b>		
Other operating income	<u>294,473</u>	<u>-</u>