

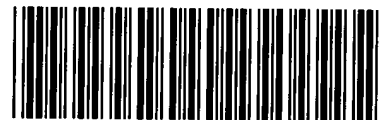
Company Registration No. 00339722 (England and Wales)

**J. J. SMITH & CO. (WOODWORKING  
MACHINERY) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021**

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**J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2021**

|  | Notes | 2021<br>£               | £ | 2020<br>£               | £ |
|--|-------|-------------------------|---|-------------------------|---|
| <b>Fixed assets</b>  |       |                         |   |                         |   |
| Intangible assets  | 4     | 13,500                  |   | -                       |   |
| Tangible assets  | 5     | 310,887                 |   | 322,870                 |   |
|  |       | <u>324,387</u>          |   | <u>322,870</u>          |   |
| <b>Current assets</b>  |       |                         |   |                         |   |
| Stocks   |       | 1,400,265               |   | 1,427,870               |   |
| Debtors  | 8     | 800,786                 |   | 1,014,063               |   |
| Cash at bank and in hand                                       |       | 2,302,184               |   | 2,708,743               |   |
|  |       | <u>4,503,235</u>        |   | <u>5,150,676</u>        |   |
| <b>Creditors: amounts falling due within one year</b>          | 9     | <u>(2,895,828)</u>      |   | <u>(2,986,475)</u>      |   |
| <b>Net current assets</b>                                      |       | <u>1,607,407</u>        |   | <u>2,164,201</u>        |   |
| <b>Total assets less current liabilities</b>                   |       | <u>1,931,794</u>        |   | <u>2,487,071</u>        |   |
| <b>Creditors: amounts falling due after more than one year</b> | 10    | -                       |   | (33,086)                |   |
| <b>Provisions for liabilities</b>                              | 11    | <u>(28,794)</u>         |   | <u>-</u>                |   |
| <b>Net assets excluding pension surplus/(deficit)</b>          |       | <u>1,903,000</u>        |   | <u>2,453,985</u>        |   |
| <b>Defined benefit pension surplus/(deficit)</b>               | 13    | <u>316,000</u>          |   | <u>(1,002,000)</u>      |   |
| <b>Net assets</b>  |       | <u><u>2,219,000</u></u> |   | <u><u>1,451,985</u></u> |   |
| <b>Capital and reserves</b>                                    |       |                         |   |                         |   |
| Called up share capital  | 14    | 342,900                 |   | 342,900                 |   |
| Capital redemption reserve                                     | 15    | 52,500                  |   | 52,500                  |   |
| Profit and loss reserves                                       | 15    | 1,823,600               |   | 1,056,585               |   |
| <b>Total equity</b>  |       | <u><u>2,219,000</u></u> |   | <u><u>1,451,985</u></u> |   |

**J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2021**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 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.

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

The financial statements were approved by the board of directors and authorised for issue on 17/03/2022 and are signed on its behalf by:



Dr R Baker  
Director

# **J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

J. J. Smith & Co. (Woodworking Machinery) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Moorgate Road, Knowsley Industrial Park, Kirkby, Liverpool, L33 7DR.

#### **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 amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. 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.

#### **Going concern**

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.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts recognised during the year excluding VAT. Turnover is derived through the sale of woodworking machinery and associated equipment and is recognised at the point that substantially all the risks and rewards attaching to the product are transferred to the customer.

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|               |                   |
|---------------|-------------------|
| Website costs | 33% straight line |
|---------------|-------------------|

Website costs have not yet been amortised due to the website not being ready for use.

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

# **J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies (Continued)**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                  |                        |
|----------------------------------|------------------------|
| Freehold property                | Nil                    |
| Leasehold improvements           | 10 - 50% straight line |
| Plant and machinery              | 5 - 33% straight line  |
| Fixtures, fittings and equipment | 5 - 33% straight line  |
| Motor vehicles                   | 25% straight line      |

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.

#### **Impairment of fixed 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.

#### **Stocks**

Stocks 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 stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include trade debtors 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.

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***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 creditors, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of 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.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# **J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies (Continued)**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The company operates a defined benefit pension scheme for certain employees which was closed to future accruals in March 2006. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The pension scheme liabilities are measured using a projected unit method and discounted at an AA corporate bond rate. The pension scheme assets are valued at market rate.

The pension scheme surplus or deficit is recognised in full at the balance sheet date. The deferred tax relating to a defined benefit surplus or deficit is included with other deferred tax assets or liabilities.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### 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 asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet 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.

##### 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.

The government grant income received during the current and prior year primarily related to the Government Coronavirus Job Retention Scheme and Apprenticeship grants.

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:

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | 37             | 35             |

#### 3 Directors' remuneration

|                                | 2021<br>£ | 2020<br>£ |
|--------------------------------|-----------|-----------|
| Remuneration paid to directors | 482,638   | 499,940   |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2020 - 6).

Dividends totalling £6,546 (2020 - £266) were declared in the year in respect of shares held by the company's directors.



# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Intangible fixed assets

|                                 | Website costs<br>£ |
|---------------------------------|--------------------|
| <b>Cost</b>                     |                    |
| Additions - separately acquired | 13,500             |
| At 31 December 2021             | 13,500             |
| <b>Carrying amount</b>          |                    |
| At 31 December 2021             | 13,500             |
| At 31 December 2020             | -                  |

### 5 Tangible fixed assets

|  | Freehold<br>property<br>£ | Leasehold<br>improvements<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|--|---------------------------|--------------------------------|-----------------------------|---|------------------------|------------|
| <b>Cost</b>                            |                           |                                |                             |   |                        |            |
| At 1 January 2021                      | 4,000                     | 56,207                         | 91,812                      | 157,659                                     | 488,064                | 797,742    |
| Additions                              | -                         | 9,849                          | 30,746                      | 26,129                                      | 56,900                 | 123,624    |
| Disposals                              | -                         | -                              | (11,533)                    | -   | (2,537)                | (14,070)   |
| At 31 December 2021                    | 4,000                     | 66,056                         | 111,025                     | 183,788                                     | 542,427                | 907,296    |
| <b>Depreciation and<br/>impairment</b> |                           |                                |                             |   |                        |            |
| At 1 January 2021                      | -                         | 22,103                         | 91,254                      | 139,030                                     | 222,485                | 474,872    |
| Depreciation charged in the<br>year    | -                         | 3,899                          | 8,391                       | 14,925                                      | 105,855                | 133,070    |
| Eliminated in respect of<br>disposals  | -                         | -                              | (11,533)                    | -   | -                      | (11,533)   |
| At 31 December 2021                    | -                         | 26,002                         | 88,112                      | 153,955                                     | 328,340                | 596,409    |
| <b>Carrying amount</b>                 |                           |                                |                             |   |                        |            |
| At 31 December 2021                    | 4,000                     | 40,054                         | 22,913                      | 29,833                                      | 214,087                | 310,887    |
| At 31 December 2020                    | 4,000                     | 34,104                         | 558                         | 18,629                                      | 265,579                | 322,870    |

### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

| Name of undertaking                  | Registered office  | Nature of business | Class of<br>shares held | % Held<br>Direct |
|--------------------------------------|--|--------------------|-------------------------|------------------|
| Waste Recycling Machinery<br>Limited | Moorgate Point Moorgate Road,<br>Knowsley Industrial Park, Kirkby,<br>Liverpool, L33 7DR | Dormant            | Ordinary                | 100.00           |

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Joint ventures

Details of the company's joint ventures at 31 December 2021 are as follows:

| Name of undertaking              | Registered office  | Nature of business                                     | Interest held | % Held Direct |
|----------------------------------|--|--|---------------|---------------|
| Modular Building Automation B.V. | H&M Houtbewerkingssystem BV<br>Koperslagersstraat 6-12, Sneek,<br>Netherlands, 8601 WL | Sale of woodworking machinery and associated equipment | Ordinary      | 50.00         |

### 8 Debtors

|  | 2021<br>£      | 2020<br>£        |
|--|----------------|------------------|
| <b>Amounts falling due within one year:</b>          |                |                  |
| Trade debtors  | 708,511        | 417,522          |
| Corporation tax recoverable                          | 36,256         | 46,498           |
| Other debtors  | -              | 337,510          |
| Prepayments and accrued income                       | 56,019         | 44,476           |
|  | <u>800,786</u> | <u>846,006</u>   |
| <b>Amounts falling due after more than one year:</b> |                |                  |
| Deferred tax asset (note 12)                         | -              | 168,057          |
|  | <u>-</u>       | <u>168,057</u>   |
| <b>Total debtors</b>                                 | <u>800,786</u> | <u>1,014,063</u> |

### 9 Creditors: amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Obligations under finance leases   | 39,796           | 51,841           |
| Trade creditors                    | 294,619          | 904,795          |
| Other taxation and social security | 273,723          | 573,189          |
| Other creditors                    | 1,295,355        | 475,525          |
| Accruals and deferred income       | 992,335          | 981,125          |
|                                    | <u>2,895,828</u> | <u>2,986,475</u> |

Net obligations under finance leases are secured over the assets concerned.

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Creditors: amounts falling due after more than one year

|                                  | 2021<br>£ | 2020<br>£ |
|----------------------------------|-----------|-----------|
| Obligations under finance leases | -         | 33,086    |

Net obligations under finance leases are secured over the assets concerned.

### 11 Provisions for liabilities

|                          | 2021<br>£ | 2020<br>£ |
|--------------------------|-----------|-----------|
| Deferred tax liabilities | 12 28,794 | -         |

### 12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                                | Liabilities<br>2021<br>£ | Liabilities<br>2020<br>£ | Assets<br>2021<br>£ | Assets<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------------|---------------------|---------------------|
| <b>Balances:</b>               |                          |                          |                     |                     |
| Accelerated capital allowances | 26,378                   | -                        | -                   | (22,791)            |
| Short term timing differences  | (1,759)                  | -                        | -                   | -                   |
| Retirement benefit obligations | 4,175                    | -                        | -                   | 190,848             |
|                                | <u>28,794</u>            | <u>-</u>                 | <u>-</u>            | <u>168,057</u>      |

|                                      | 2021<br>£     |
|--------------------------------------|---------------|
| <b>Movements in the year:</b>        |               |
| Liability/(Asset) at 1 January 2021  | (168,057)     |
| Charge to profit or loss             | 78,291        |
| Charge to other comprehensive income | 118,560       |
| Liability at 31 December 2021        | <u>28,794</u> |

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees.

The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £31,301 (2020: £28,741).

Included within other creditors is £7,034 (2020 - £6,553) in relation to unpaid pension contributions.

#### Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees.

No other post-retirement benefits are provided.

The scheme is closed to future accrual.

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 31 December 2021.

|  | 2021              | 2020              |
|--|-------------------|-------------------|
|  | %                 | %                 |
| <i>Key assumptions</i>                                   |                   |                   |
| Discount rate  | 1.9               | 1.3               |
| Expected rate of increase of pensions in payment         | 3.5               | 3.0               |
| Inflation: RPI   | 3.8               | 3.3               |
| Statutory revaluation: CPI                               | 2.7               | 2.1               |
|  | <u>          </u> | <u>          </u> |
|  | 2021              | 2020              |
|  | £                 | £                 |
| <i>Amounts recognised in the profit and loss account</i> |                   |                   |
| Net interest on defined benefit liability/(asset)        | 8,000             | 13,000            |
|  | <u>          </u> | <u>          </u> |
|  | 2021              | 2020              |
|  | £                 | £                 |
| <i>Amounts taken to other comprehensive income</i>       |                   |                   |
| Actual return on scheme assets                           | (451,000)         | (397,000)         |
| Less: calculated interest element                        | 80,000            | 116,000           |
|  | <u>          </u> | <u>          </u> |
| Return on scheme assets excluding interest income        | (371,000)         | (281,000)         |
| Actuarial changes related to obligations                 | (271,000)         | 707,000           |
|  | <u>          </u> | <u>          </u> |
| Total costs/(income)                                     | (642,000)         | 426,000           |
|  | <u>          </u> | <u>          </u> |

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Retirement benefit schemes (Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Present value of defined benefit obligations | 6,528,000        | 6,905,000        |
| Fair value of plan assets                    | (6,844,000)      | (5,903,000)      |
| (Surplus)/deficit in scheme                  | <u>(316,000)</u> | <u>1,002,000</u> |

|  | 2021<br>£        |
|--|------------------|
| <i>Movements in the present value of defined benefit obligations</i> |                  |
| Liabilities at 1 January 2021  | 6,905,000        |
| Benefits paid  | (194,000)        |
| Actuarial gains and losses   | (271,000)        |
| Interest cost  | 88,000           |
| At 31 December 2021  | <u>6,528,000</u> |

|  | 2021<br>£        |
|--|------------------|
| <i>The defined benefit obligations arise from plans funded as follows:</i> |                  |
| Wholly unfunded obligations  | -                |
| Wholly or partly funded obligations  | 6,528,000        |
|  | <u>6,528,000</u> |

|  | 2021<br>£        |
|--|------------------|
| <i>Movements in the fair value of plan assets</i>                  |                  |
| Fair value of assets at 1 January 2021                             | 5,903,000        |
| Interest income  | 80,000           |
| Return on plan assets (excluding amounts included in net interest) | 371,000          |
| Benefits paid  | (194,000)        |
| Contributions by the employer                                      | 684,000          |
| At 31 December 2021  | <u>6,844,000</u> |

The actual return on plan assets was £451,000 (2020 - £397,000).

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Retirement benefit schemes (Continued)

|   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| <i>The analysis of the scheme assets at the reporting date were as follows:</i> |                  |                  |
| Equity instruments  | 5,591,000        | 4,532,471        |
| Cash  | 4,000            | 11,255           |
| Annuities   | 1,247,000        | 1,359,274        |
| Debtors   | 2,000            | -                |
|   | <u>6,844,000</u> | <u>5,903,000</u> |

### 14 Called up share capital

|   | 2021<br>Number | 2020<br>Number | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|----------------|----------------|
| <b>Ordinary share capital</b>           |                |                |                |                |
| <b>Issued and fully paid</b>            |                |                |                |                |
| A Ordinary shares of £1 each            | 330,000        | 330,000        | 330,000        | 330,000        |
|   | <u>330,000</u> | <u>330,000</u> | <u>330,000</u> | <u>330,000</u> |
| <b>Preference share capital</b>         |                |                |                |                |
| <b>Issued and fully paid</b>            |                |                |                |                |
| Cumulative preference shares of £1 each | 12,900         | 12,900         | 12,900         | 12,900         |
|   | <u>12,900</u>  | <u>12,900</u>  | <u>12,900</u>  | <u>12,900</u>  |
| Preference shares classified as equity  |                |                | 12,900         | 12,900         |
|   |                |                | <u>12,900</u>  | <u>12,900</u>  |
| <b>Total equity share capital</b>       |                |                | <u>342,900</u> | <u>342,900</u> |

### 15 Reserves

#### Capital redemption reserve

The capital redemption reserve is a non-distributable reserve that comprises the par value of share capital redeemed by the company.

#### Profit and loss reserves

The profit and loss reserves comprise earnings net of distributions to owners.

# J. J. SMITH & CO. (WOODWORKING MACHINERY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2021<br>£      | 2020<br>£     |
|----------------------------|----------------|---------------|
| Within one year            | 20,223         | 17,639        |
| Between one and five years | 114,724        | 6,613         |
|                            | <u>134,947</u> | <u>24,252</u> |

### 17 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2021<br>£      | 2020<br>£ |
|--------------------------------------|----------------|-----------|
| Acquisition of tangible fixed assets | 87,290         | -         |
| Acquisition of intangible assets     | 13,500         | -         |
|                                      | <u>100,790</u> | <u>-</u>  |

### 18 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

|  | Sales<br>2021<br>£ | 2020<br>£      |
|--|--------------------|----------------|
| Entities over which the entity has control, joint control or significant influence | <u>1,403,339</u>   | <u>255,336</u> |