

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
J. PREEDY & SONS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2020**

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J. PREEDY & SONS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

DIRECTORS:

Mr K T Preedy
Mr M Preedy

SECRETARY:

Mrs A Millington

REGISTERED OFFICE:

Stanley Works 7b Coronation Road
Park Royal
London
NW10 7PQ

REGISTERED NUMBER:

00372371 (England and Wales)

ACCOUNTANTS:

FLB Accountants LLP
Chartered Accountants & Registered Auditors
250 Wharfedale Road
Winnersh Triangle
Berkshire
RG41 5TP

BALANCE SHEET
31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	5	19,131	27,863
Tangible assets	6	820,947	793,201
		<u>840,078</u>	<u>821,064</u>
CURRENT ASSETS			
Stocks		215,130	181,191
Debtors	7	604,155	665,791
Cash at bank and in hand		577,793	298,650
		<u>1,397,078</u>	<u>1,145,632</u>
CREDITORS			
Amounts falling due within one year	8	(375,768)	(438,865)
NET CURRENT ASSETS		<u>1,021,310</u>	<u>706,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,861,388	1,527,831
CREDITORS			
Amounts falling due after more than one year	9	(34,920)	(140,652)
PROVISIONS FOR LIABILITIES		(42,181)	(75,906)
PENSION LIABILITY	12	(596,220)	(733,110)
NET ASSETS		<u>1,188,067</u>	<u>578,163</u>
CAPITAL AND RESERVES			
Called up share capital		5,000	5,000
Retained earnings	11	1,183,067	573,163
SHAREHOLDERS' FUNDS		<u>1,188,067</u>	<u>578,163</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 MARCH 2020

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 19 October 2020 and were signed on its behalf by:

Mr M Preedy - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

J. Preedy & Sons Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Material uncertainty related to going concern

We draw attention to the current Covid-19 pandemic and the potential economic impact the virus will have in the coming months. In establishing whether to continue to report under the going concern assumption we have considered the following points:

- The impact on the day to day trade of the business
- The impact on the ability of our suppliers to meet our needs
- The impact of our staff's ability to perform their duties
- The impact on our cash position of a period of minimum activity

We have put measures in place to try to ensure the company remains a going concern but due to the potential impact of Covid-19 and how rapidly the responses to Covid-19 are developing we see it as prudent to indicate a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern.

Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- | | |
|-------------------------|--|
| Land and buildings | - 2% on cost |
| Plant and machinery etc | - 25% on cost, 20% on cost and 10% on cost |

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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 have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES - continued

Pensions

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2017 and updated to 31 March 2020.

(a) Staff

The Company operates a defined benefits pension scheme that has been closed to new entrants. With effect from 30 September 2006, the trustees froze the benefits accruing in the scheme. The Company is taking steps to ensure that the scheme will be fully funded up to that date. The assets of the scheme are held separately from those of the Company in an independently administered fund. Independent actuaries complete a valuation every three years. In accordance with their recommendations, contributions are paid to the scheme so as to secure the benefits set out in the rules. The pension charge is based on a full actuarial valuation as at 31 March 2020.

(b) Staff

The Company has made a defined contribution group personal pension plan available to all new employees. The funds of the scheme are administered by Trustees and are separate from the Company. The pension charge represents contributions payable by the Company for the year. The Company's liability is limited to the amount of the contributions.

Operating leases

Rental charges applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on an accruals basis.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 financial transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets, that are measured at cost and amortised cost, are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 24 (2019 - 23) .

5. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 April 2019 and 31 March 2020	<u>34,925</u>
AMORTISATION	
At 1 April 2019	7,062
Charge for year	<u>8,732</u>
At 31 March 2020	<u>15,794</u>
NET BOOK VALUE	
At 31 March 2020	<u>19,131</u>
At 31 March 2019	<u>27,863</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2019	827,319	852,224	25,699
Additions	-	85,882	255
Disposals	-	(9,548)	-
At 31 March 2020	<u>827,319</u>	<u>928,558</u>	<u>25,954</u>
DEPRECIATION			
At 1 April 2019	335,853	610,032	14,812
Charge for year	11,546	32,940	1,433
Eliminated on disposal	-	(9,548)	-
At 31 March 2020	<u>347,399</u>	<u>633,424</u>	<u>16,245</u>
NET BOOK VALUE			
At 31 March 2020	<u>479,920</u>	<u>295,134</u>	<u>9,709</u>
At 31 March 2019	<u>491,466</u>	<u>242,192</u>	<u>10,887</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2019	44,407	69,187	1,818,836
Additions	-	2,679	88,816
Disposals	-	-	(9,548)
At 31 March 2020	<u>44,407</u>	<u>71,866</u>	<u>1,898,104</u>
DEPRECIATION			
At 1 April 2019	24,688	40,250	1,025,635
Charge for year	4,829	10,322	61,070
Eliminated on disposal	-	-	(9,548)
At 31 March 2020	<u>29,517</u>	<u>50,572</u>	<u>1,077,157</u>
NET BOOK VALUE			
At 31 March 2020	<u>14,890</u>	<u>21,294</u>	<u>820,947</u>
At 31 March 2019	<u>19,719</u>	<u>28,937</u>	<u>793,201</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	266,659	232,193
Amounts owed by group undertakings	315,873	315,873
Other debtors	<u>21,623</u>	<u>117,725</u>
	<u>604,155</u>	<u>665,791</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	35,136	35,070
Hire purchase contracts	74,069	27,438
Trade creditors	164,090	159,018
Taxation and social security	78,239	89,584
Other creditors	<u>24,234</u>	<u>127,755</u>
	<u>375,768</u>	<u>438,865</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	34,920	66,583
Hire purchase contracts	-	74,069
	<u>34,920</u>	<u>140,652</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>70,056</u>	<u>101,653</u>

National Westminster Bank PLC holds fixed and floating charges dated 3 October 2011 covering all the property or undertaking of the company.

Rbs Invoice Finance Ltd holds fixed and floating charges dated 26 June 2013 covering all the property or undertaking of the company.

11. RESERVES

	Retained earnings £
At 1 April 2019	573,163
Profit for the year	473,014
Other recognised gains and losses	136,890
At 31 March 2020	<u>1,183,067</u>

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Retained earnings

Retained earnings reserve represents cumulative profits and losses, net of dividends paid and adjustments.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

12. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 5 April 2017 and updated to 31 March 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 18 years and 2 months from 5 July 2018 by the payment of annual contributions of £42,000, increasing by 3% per annum in respect of the deficit. In addition and in accordance with the actuarial valuation, the company has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	58,000	56,000
Past service cost	-	-
	<u>58,000</u>	<u>56,000</u>
Actual return on plan assets	<u>(127,000)</u>	<u>32,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	2,327,000	2,143,000
Interest cost	58,000	56,000
Losses (gains) due to benefit changes	-	31,000
Actuarial losses/(gains)	(275,000)	108,000
Benefits paid	(18,000)	(11,000)
	<u>2,092,000</u>	<u>2,327,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

12. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	1,424,000	1,324,000
Assets interest	36,000	35,000
Contributions by employer	43,000	44,000
Actuarial gains/(losses)	(127,000)	32,000
Benefits paid	(18,000)	(11,000)
	<u>1,358,000</u>	<u>1,424,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses)	169,000	(84,000)
	<u>169,000</u>	<u>(84,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	687,000	769,000
Fixed interest (mostly gilts)	342,000	330,000
Cash and other	329,000	325,000
	<u>1,358,000</u>	<u>1,424,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
Discount rate	2.60%	2.50%
Future salary increases	2.70%	3.20%
Future pension increases	2.65%	3.20%

13. ULTIMATE CONTROLLING PARTY

The immediate and the ultimate parent undertaking is J Preedy Holdings Ltd, a company incorporated in England and Wales. There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.