

Company registration number 00372371 (England and Wales)

J. PREEDY & SONS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

J. PREEDY & SONS LIMITED

CONTENTS

	Page
Statement of financial position	1 - 2
Notes to the financial statements	3 - 11

J. PREEDY & SONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	3		4,193		10,400
Tangible assets	4		863,040		798,312
			<u>867,233</u>		<u>808,712</u>
Current assets					
Stocks		288,319		212,275	
Debtors	5	1,173,278		547,516	
Cash at bank and in hand		377,338		692,627	
		<u>1,838,935</u>		<u>1,452,418</u>	
Creditors: amounts falling due within one year	6	<u>(418,871)</u>		<u>(335,056)</u>	
Net current assets			<u>1,420,064</u>		<u>1,117,362</u>
Total assets less current liabilities			<u>2,287,297</u>		<u>1,926,074</u>
Creditors: amounts falling due after more than one year	7		(11,787)		(32,402)
Provisions for liabilities			<u>(507,345)</u>		<u>(691,502)</u>
Net assets			<u>1,768,165</u>		<u>1,202,170</u>
Capital and reserves					
Called up share capital			5,000		5,000
Profit and loss reserves			<u>1,763,165</u>		<u>1,197,170</u>
Total equity			<u>1,768,165</u>		<u>1,202,170</u>

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

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

J. PREEDY & SONS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

M Preedy
Director

Company Registration No. 00372371

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

J. Preedy & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stanley Works 7b Coronation Road, Park Royal, London, England, NW10 7PQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary 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.

1.2 Turnover

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

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

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

1.3 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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	25% straight line
----------	-------------------

1.4 Tangible fixed assets

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

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
Computers	25% straight line
Motor vehicles	20% 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.

1.5 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.

1.6 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.

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

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

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

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.

1.13 Leases

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

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

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

1.14 Government grants

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

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

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Employees

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

	2022 Number	2021 Number
Total	27	25
	<u> </u>	<u> </u>

3 Intangible fixed assets

	Other £
Cost	
At 1 April 2021	34,925
Additions	1,642
	<u> </u>
At 31 March 2022	36,567
	<u> </u>
Amortisation and impairment	
At 1 April 2021	24,525
Amortisation charged for the year	7,849
	<u> </u>
At 31 March 2022	32,374
	<u> </u>
Carrying amount	
At 31 March 2022	4,193
	<u> </u>
At 31 March 2021	10,400
	<u> </u>

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2021	830,208	1,112,143	1,942,351
Additions	-	141,594	141,594
Disposals	-	(20,261)	(20,261)
At 31 March 2022	830,208	1,233,476	2,063,684
Depreciation and impairment			
At 1 April 2021	359,003	785,036	1,144,039
Depreciation charged in the year	11,546	65,320	76,866
Eliminated in respect of disposals	-	(20,261)	(20,261)
At 31 March 2022	370,549	830,095	1,200,644
Carrying amount			
At 31 March 2022	459,659	403,381	863,040
At 31 March 2021	471,205	327,107	798,312

Included within the net book value of £798,312 is a total of £151,898 (2021: £178,728) in respect of assets subject to finance leases and hire purchase contracts. The depreciation charge to the financial statements in the year in respect of such assets amounted to £26,829 (2021: £26,829).

5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	345,843	179,525
Amounts owed by group undertakings	806,313	315,873
Other debtors	21,122	52,118
	1,173,278	547,516

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	2,910	34,902
Trade creditors	101,227	53,869
Taxation and social security	129,384	79,650
Other creditors	185,350	166,635
	<u>418,871</u>	<u>335,056</u>

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	-	2,503
Other creditors	11,787	29,899
	<u>11,787</u>	<u>32,402</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

8 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>47,814</u>	<u>51,023</u>

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.

Defined benefit schemes

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 2022 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent comprehensive actuarial valuation took place as at 5 April 2020. Under the agreed schedule of contributions, the Company shall pay contributions of £44,558 per annum, increasing by 3% each 5 July with the first increase on 5 July 2021, until 5 December 2045. 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.

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Retirement benefit schemes		(Continued)	
	2022	2021	
	%	%	
<i>Key assumptions</i>			
Discount rate	3.00	2.20	
Expected rate of increase of pensions in payment	3.70	3.20	
Expected rate of salary increases	4.00	3.35	
<i>Mortality assumptions</i>			
Assumed life expectations on retirement at age 65:	2022	2021	
Retiring today	Years	Years	
- Males	21.8	21.7	
- Females	24.1	24.1	
Retiring in 20 years			
- Males	22.8	22.7	
- Females	25.3	25.3	
<i>Amounts recognised in the income statement</i>			
	2022	2021	
	£	£	
Net interest on net defined benefit liability/(asset)	51,000	53,000	
Other costs and income	(34,000)	(34,000)	
Total costs	17,000	19,000	
<i>Amounts taken to other comprehensive income</i>			
	2022	2021	
	£	£	
Actual return on scheme assets	(8,000)	(241,000)	
Less: calculated interest element	-	-	
Return on scheme assets excluding interest income	(8,000)	(241,000)	
Actuarial changes related to obligations	(207,000)	342,000	
Total costs/(income)	(215,000)	101,000	
The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:			
	2022	2021	
	£	£	
Present value of defined benefit obligations	2,168,000	2,343,000	
Fair value of plan assets	(1,612,000)	(1,543,000)	
Deficit in scheme	556,000	800,000	

J. PREEDY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Retirement benefit schemes (Continued)

	2022 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2021	2,343,000
Benefits paid	(19,000)
Actuarial gains and losses	(207,000)
Interest cost	51,000
At 31 March 2022	2,168,000

	2022 £
<i>The defined benefit obligations arise from plans funded as follows:</i>	
Wholly unfunded obligations	-
Wholly or partly funded obligations	2,168,000
	2,168,000

	2022 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2021	1,543,000
Return on plan assets (excluding amounts included in net interest)	8,000
Benefits paid	(19,000)
Contributions by the employer	46,000
Other	34,000
At 31 March 2022	1,612,000

The actual return on plan assets was £8,000 (2021 - £241,000).

	2022 £	2021 £
<i>Fair value of plan assets at the reporting period end</i>		
Debt instruments	1,612,000	1,543,000

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.