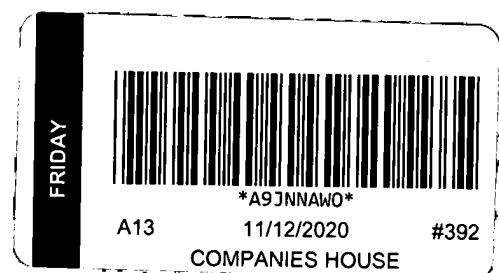


Alfred Bagnall & Sons (Midlands) Limited

Registered number: 01042421

Financial statements

For the year ended 31 December 2019



ALFRED BAGNALL & SONS (MIDLANDS) LIMITED
REGISTERED NUMBER: 01042421

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

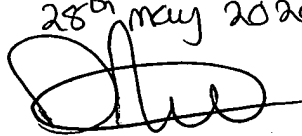
	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	40,239	-
		<u>40,239</u>	<u>-</u>
Current assets			
Stocks	-	750	-
Debtors	581,160	690,403	-
Cash at bank and in hand	91,640	83,453	-
	<u>672,800</u>	<u>774,606</u>	
Creditors: amounts falling due within one year	(219,338)	(572,117)	
Net current assets		<u>453,462</u>	<u>202,489</u>
Total assets less current liabilities		<u>493,701</u>	<u>202,489</u>
Creditors: amounts falling due after more than one year		(1,703,000)	(1,363,000)
Net liabilities		<u>(1,209,299)</u>	<u>(1,160,511)</u>
Capital and reserves			
Called up share capital	7	5,000	5,000
Profit and loss account	8	(1,214,299)	(1,165,511)
		<u>(1,209,299)</u>	<u>(1,160,511)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28th May 2020

R J Britten
 Director

The notes on pages 2 to 10 form part of these financial statements.

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Alfred Bagnall & Sons (Midlands) Limited ("the Company"), Company number 01042421, is a Limited Company incorporated in the United Kingdom. The company's principal activity is that of painting contractors. The address of its registered office is 6 Manor Lane, Shipley, West Yorkshire, BD18 3RD.

The functional and presentation currency of the Company is £ sterling, rounded to the nearest whole pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has adopted the triennial review of FRS102 effective for periods commencing 1 January 2019.

Information in respect of the differences from the previous accounting framework are detailed within Note 16.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Alfred Bagnall and Sons Limited as at 31 December 2019 and these financial statements may be obtained from 6 Manor Lane, Shipley, West Yorkshire, BD18 3RD.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the forecasts prepared therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The company continues to benefit from the financial support of its parent undertaking.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Revenue

Revenue for the year represents applications or invoices to customers for payment for work carried out, adjusted where necessary for any accrued income relating to long-term contract balances, exclusive of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account revenue and related costs as contract activity progresses. Revenue is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

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

2.6 Grants received

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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

The estimated useful life is as follows:

Motor vehicles	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 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 debtors and creditors, loans from banks and loans to related parties.

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 the Statement of Comprehensive Income.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(ii) Estimating value in use

Where an indication of impairment exists, the directors have carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less cost to sell and value in use. The value in use calculation has required the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

(iii) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(iv) Determining residual values and useful economic lives of tangible and intangible assets

The Company depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Group expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

iv) Stage of completion

The Company estimates the stage of completion of a contract with reference to the proportion that the incurred costs bear to the total contract costs.

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Employees

The average monthly number of employees, including directors, during the year was 43 (2018 - 43).

5. Tangible fixed assets

	Motor vehicles £
Cost or valuation	
At 1 January 2019	57,537
Additions	51,435
Disposals	(37,324)
At 31 December 2019	<u>71,648</u>
Depreciation	
At 1 January 2019	57,537
Charge for the year on owned assets	11,196
Disposals	(37,324)
At 31 December 2019	<u>31,409</u>
Net book value	
At 31 December 2019	<u><u>40,239</u></u>
At 31 December 2018	<u><u>-</u></u>

6. Deferred taxation

	2019 £	2018 £
At beginning of year	6,892	4,721
Charged to profit or loss	(989)	2,171
At end of year	<u><u>5,903</u></u>	<u><u>6,892</u></u>

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	5,903	6,892
	<u>5,903</u>	<u>6,892</u>

7. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,000 (2018 - 5,000) Ordinary shares of £1.00 each	<u>5,000</u>	<u>5,000</u>

8. Reserves**Profit & loss account**

The profit and loss reserve account includes the cumulative prior period profits and losses minus dividends.

9. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	45,955	46,751
Later than 1 year and not later than 5 years	77,451	74,228
	<u>123,406</u>	<u>120,979</u>

10. Post balance sheet events

Post year end the developments and circumstances around COVID 19 have been identified as significant but non-adjusting post balance sheet events that affect the Company. Due to the uncertainties surrounding the potential implications to the Company, no estimate can be made at this time as to the financial effect thereof, however the impact of this on the Company's ability to continue as a going concern has been included within the going concern assessment in note 2.3.

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Controlling party

The company is controlled by Alfred Bagnall and Sons Limited, the ultimate parent company, registered in England and Wales. There is no ultimate individual controlling party.

Alfred Bagnall and Sons Limited prepares group financial statements and copies can be obtained from 6 Manor Lane, Shipley, West Yorkshire, BD18 3RD.

12. Adoption of the triennial review of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to the triennial review FRS 102 and have not impacted on equity or profit or loss.

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on *15 October 2020* by Shaun Mullins (senior statutory auditor) on behalf of Mazars LLP.

The Audit Report included an emphasis of matter which was worded as follows:

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 9 and non-adjusting post balance sheet events on page 11.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the United Kingdom.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.