

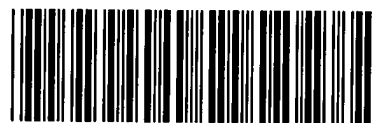
Registered number: 04366658

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 28 FEBRUARY 2019**

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## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	S D Johnson P D Wood P W Capell J G Earl
<b>Company secretary</b>	H M Johnson
<b>Registered number</b>	04366658
<b>Registered office</b>	Johnsons Recycling Centre Crompton Road Off Merlin Way Ilkeston Derbyshire DE7 4BG
<b>Independent auditors</b>	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

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## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2019

#### Introduction

The principal activity of the company was recycling of aggregates and the collection and processing of incinerator bottom ash (IBA).

#### Business review

The company remains committed to development and investment of the business with the key aim of developing the processing capabilities of IBA to the benefit of all stakeholders. The Stanton site remains a unique processing capability and the investment in the storage facilities at that site has added significant value. Our Stanton site has increased its permitted IBA capacity by 50% to 450,000 Te's pa and we now have capacity for 675,000 over the 3 sites we have available to us.

Post year end we have commenced 2 new long term IBA offtake contracts and are in advanced conversations with a 3rd new site. With these we have a portfolio of 13 IBA suppliers and >400,000 Te's pa. This demand confirms our strategic direction is correct and we are looking to invest in a potential additional site. The demand for IBA processing in the UK is still greater than supply and we are addressing this by increasing capacity and geographical coverage.

We have continued to invest heavily in our business and this has impacted our statutory profit. Management use an underlying basis of Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA") to measure the financial performance. This measure is highlighted below:

£'000	FY19	FY18	FY17
Operating profit	446	623	6
Depreciation	1,457	826	801
<b>EBITDA</b>	<b>1,903</b>	<b>1,449</b>	<b>807</b>
% Increase on prior year	31%	80%	

The board are delighted to have shown a further year of true growth at EBITDA level and feel confident that, given the capacity increase gained and additional IBA sources, along with the advancements in the aggregates market, this is set to continue. This is despite significant development costs incurred during the year.

During the year, Business Growth Fund ("BGF") completed a third investment to the business of £1m to ensure we have the cash resources required to deliver our plan and they remain extremely supportive of the business. The strong relationship with BGF is an important factor to the success of the business and the company and BGF continue to work together to assess additional opportunities in the UK IBA market.

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

#### Principal risks and uncertainties

The company has exposure to key risk areas which are monitored as follows:

##### *Financial risk*

The company's principal financial instruments comprise the operational bank accounts, overdrafts, bank loans, other loans, loan notes and net obligations under finance leases and hire purchase contracts. The company has other financial assets and liabilities such as trade debtors and trade creditors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations. The company produces regular cash flow forecasts that allows it to manage this financial risk.

##### *Interest risk exposure*

The company has a mix of fixed and variable rate loans. It does not hedge the variable rate element but keeps interest rate exposure under review.

##### *Customer credit exposure*

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods and services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified date. The risk is mitigated by credit insurance, strong on-going customer relationships and the fact that the majority of the company's client base is represented by blue chip, global companies with substantial balance sheets.

##### *Commodity price risk*

The output of the IBA operation is a range of metals which the company sells on the global market. As such the company is exposed to commodity price and exchange rate movements. Both are outside of the company's control, and are not hedged, but the company closely monitors both.

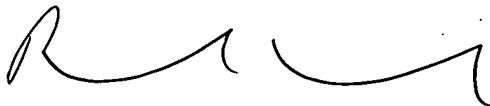
##### *Regulatory control*

The company operates in the waste disposal and environmental sectors. As such it is heavily regulated. The Board takes its responsibilities seriously and closely monitors compliance, employing the help of external professionals where appropriate.

##### *New manufacturing plant*

The company, in recent years, has invested heavily in a new manufacturing facility which utilises new technology and processes and has incurred a high level of debt in this regard. Successful operation of the plant is necessary in order to service the debt incurred. During 2019 the plant has been successfully commissioned and is now handling tonnages in line with plan. Performance of the plant is monitored by management on a daily basis. Discussions with potential customers are ongoing and there are currently a number of contracts, due to start by the end of 2019, which are awaiting final customer approval.

This report was approved by the board and signed on its behalf.



**P D Wood**  
Director

Date: 16 May 2019

## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their report and the financial statements for the year ended 28 February 2019.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £238,099 (2018: profit £194,193).

No dividends were paid during the year (2018: £Nil)

#### **Directors**

The directors who served during the year were:

S D Johnson  
P D Wood  
P W Capell  
J G Earl

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

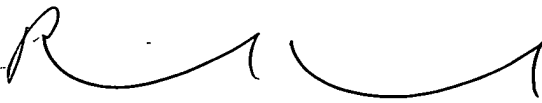
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to be 'P D Wood', with a stylized, flowing script.

**P D Wood**  
Director

Date: *16 May 2019*

## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHNSONS AGGREGATES AND RECYCLING LIMITED**

#### **Opinion**

We have audited the financial statements of Johnsons Aggregates and Recycling Limited (the 'company') for the year ended 28 February 2019, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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



## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHNSONS AGGREGATES AND RECYCLING LIMITED (CONTINUED)**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHNSONS AGGREGATES AND RECYCLING LIMITED (CONTINUED)

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

#### Use of our report

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



Peter Sterling (Senior Statutory Auditor)

for and on behalf of  
**PKF Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 16 May 2019

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 £	2018 £
<b>Turnover</b>	3	10,709,108	14,578,488
Cost of sales		(15,717,590)	(11,188,745)
<b>Gross profit</b>		2,991,518	3,387,741
Administrative expenses		(2,545,428)	(2,765,177)
<b>Operating profit</b>	4	446,090	622,564
Interest receivable and similar income		241	278
Interest payable and similar charges	7	(1,222,653)	(1,036,593)
<b>Loss before taxation on ordinary activities</b>		(776,322)	(413,751)
Tax on loss on ordinary activities	8	538,223	607,944
<b>(Loss)/profit for the year</b>		(238,099)	194,193

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

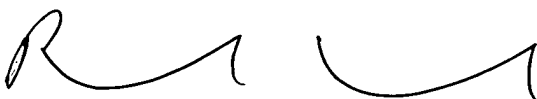
The notes on pages 13 to 31 form part of these financial statements.

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**  
**REGISTERED NUMBER: 04366658**

**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	16,412,651	16,309,941
Investments	10	100	100
		<u>16,412,751</u>	<u>16,310,041</u>
<b>Current assets</b>			
Stocks	11	503,100	334,296
Debtors	12	5,352,248	3,413,521
Cash at bank and in hand		1,657,408	2,545,415
		<u>7,512,756</u>	<u>6,293,232</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(12,502,956)</u>	<u>(11,300,531)</u>
<b>Net current liabilities</b>		<u>(4,990,200)</u>	<u>(5,007,299)</u>
<b>Total assets less current liabilities</b>		<u>11,422,551</u>	<u>11,302,742</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(7,753,499)	(7,490,176)
<b>Provisions for liabilities</b>			
Deferred tax	17	(662,983)	(568,398)
<b>Net assets</b>		<u><u>3,006,069</u></u>	<u><u>3,244,168</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	142	142
Share premium account	19	2,336,482	2,336,482
Profit and loss account	19	669,445	907,544
<b>Shareholder's funds</b>		<u><u>3,006,069</u></u>	<u><u>3,244,168</u></u>

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



**P D Wood**  
Director

Date: 16 May 2019

The notes on pages 13 to 31 form part of these financial statements.

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 March 2018	142	2,336,482	907,544	3,244,168
Loss for the year	-	-	(238,099)	(238,099)
<b>At 28 February 2019</b>	<b>142</b>	<b>2,336,482</b>	<b>669,445</b>	<b>3,006,069</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 March 2017	117	837,704	713,351	1,551,172
Profit for the year	-	-	194,193	194,193
Shares issued during the year	25	1,498,778	-	1,498,803
<b>At 28 February 2018</b>	<b>142</b>	<b>2,336,482</b>	<b>907,544</b>	<b>3,244,168</b>

The notes on pages 13 to 31 form part of these financial statements.

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(238,099)	194,193
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,457,258	825,997
Profit on disposal of tangible assets	(24,574)	(11,116)
Interest charged	1,222,653	1,036,593
Interest received	(241)	(278)
Taxation charge	(538,223)	(607,944)
Increase in stocks	(168,804)	(117,455)
Increase in debtors	(2,251,091)	(618,388)
Increase in creditors	694,335	491,558
Corporation tax received	945,173	51,806
<b>Net cash generated from operating activities</b>	<u>1,098,387</u>	<u>1,244,966</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,708,396)	(1,737,420)
Sale of tangible fixed assets	173,002	129,710
Interest received	241	278
<b>Net cash from investing activities</b>	<u>(1,535,153)</u>	<u>(1,607,432)</u>

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	2019 £	2018 £
<b>Cash flows from financing activities</b>		
Issue of share capital	-	1,498,803
New secured loans	-	290,000
Repayment of bank loans	(665,188)	(56,677)
New investor loan notes	972,093	1,459,307
Other new loans and director loan notes	27,907	41,890
Repayment of other loans	(109,259)	(87,326)
Repayment of finance leases	(623,016)	(852,741)
Movements on invoice discounting	499,050	321,472
Interest paid	(481,936)	(254,286)
HP interest paid	(70,892)	(116,369)
<b>Net cash used in financing activities</b>	<u>(451,241)</u>	<u>2,244,073</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(888,007)</u>	<u>1,881,607</u>
Cash and cash equivalents at beginning of year	2,545,415	663,808
<b>Cash and cash equivalents at the end of year</b>	<u><u>1,657,408</u></u>	<u><u>2,545,415</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>1,657,408</u></u>	<u><u>2,545,415</u></u>

The notes on pages 13 to 31 form part of these financial statements.

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 1. Accounting policies

Johnsons Aggregates and Recycling Limited ("the company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 28 February 2019 (2018: year ended 28 February 2018).

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

In the year to 28 February 2019 the company incurred a loss before taxation of £776,322 (2018: loss of £413,751). At 28 February 2019 the company had net current liabilities of £4,990,200 (2018: net current liabilities of £5,007,299). Both the pre-tax loss and the balance sheet position are heavily influenced by the very significant investment made by the company in its new manufacturing facility. The plant entered production in the prior year and the directors are satisfied with its performance to date. With the facility now largely completed, the company has an agreement in principle with its bankers to refinance approximately £4.4m of short term bridging finance, included within current liabilities, into a longer term facility. This will improve the structure of the company's balance sheet.

During the year the company's principle investor, Business Growth Fund, committed a further £1million of debt. In the previous financial year, Business Growth Fund invested an additional £2.9million of equity and debt. Both tranches of investment were made in order to assist with completion of the plant, expansion of the company's activities and to provide working capital headroom. The new plant is now operating at encouraging levels, and is forecast to produce significant profit going forwards.

As part of the process of obtaining the increased investments noted above the directors prepared detailed profit and cashflow forecasts, which incorporated the new investment, and which demonstrated an ability to comfortably operate within agreed facilities. These were subject to external review. The directors are mindful that the forecasts, which are regularly updated, contain a number of key assumptions, including the selling price of the metals reclaimed, the metal recovery percentages, the successful operation of the new plant and the ability to source sufficient quantities of raw material to process. Having reviewed the forecasts the directors are of the opinion that preparing the accounts on a going concern basis is appropriate.

The following accounting policies have been applied consistently throughout the year:



## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 1. Accounting policies (continued)

##### 1.2 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.3 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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 lives range as follows:

Freehold property	-	25 years straight line
Freehold property improvements	-	25 years straight line
Leasehold improvements	-	4 years straight line
Plant and machinery	-	4 - 15 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	3 years straight line

No depreciation is charged on freehold land.

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 within 'administrative expenses' in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense immediately.

## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

#### **1. Accounting policies (continued)**

##### **1.4 Investments**

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

##### **1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of production on a standard cost basis. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Any impairment loss is recognised immediately in the profit and loss account.

##### **1.6 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.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

##### **1.7 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and 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 balance sheet date.

##### **1.8 Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 1. Accounting policies (continued)

##### 1.9 Leasing and hire purchase

Assets obtained under hire purchase contract leases are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Hire purchase contract 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.

##### 1.10 Pensions

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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 1.11 Provisions

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 profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

##### 1.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within administrative expenses.

## **JOHNSONS AGGREGATES AND RECYCLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

#### **1. Accounting policies (continued)**

##### **1.13 Finance costs**

Finance costs are charged to the profit and loss account 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **1.14 Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised where material, in respect of all timing differences at the reporting date except otherwise indicated.

Deferred tax assets are only 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. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors of the company make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered below:

##### **Impairment of non-current assets**

The directors assess the impairment of tangible and fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

##### **Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

##### **Carrying value of stocks**

The directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

##### **Recoverability of trade debtors**

Trade and other receivables are recognised to the extent that they are judged recoverable. Directors review are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 2. Judgements in applying accounting policies (continued)

##### Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. Legal advice is sought where appropriate.

##### Leases

The directors determine whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

##### Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of the amount likely to be due. The directors estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

#### 3. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	12,115,133	10,760,217
Europe	6,593,975	3,816,269
	<u>18,709,108</u>	<u>14,576,486</u>

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**4. Operating profit**

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the company	963,928	360,982
- held under finance leases	495,878	465,015
Auditor's remuneration	21,000	19,500
Exchange differences	9,675	144
Operating lease rentals	505,622	460,989
Profit on sale of tangible assets	(24,574)	(11,116)
	<u>          </u>	<u>          </u>

**5. Employees**

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	4,277,252	3,369,926
Social security costs	373,112	269,992
Pension costs	63,528	33,945
	<u>4,713,892</u>	<u>3,673,863</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Production	99	63
Administration	19	22
	<u>118</u>	<u>85</u>

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**6. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	284,373	280,400
Company contributions to defined contribution pension schemes	8,800	8,857
	<u>293,173</u>	<u>289,257</u>

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £144,000 (2018: £144,000).

**7. Interest payable and similar expenses**

	2019 £	2018 £
Bank interest payable	392,425	413,055
Other loan interest payable	130,922	100,878
Finance leases and hire purchase contracts	70,892	116,369
Investor and directors loan note interest	628,414	406,291
	<u>1,222,653</u>	<u>1,036,593</u>



# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 8. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on loss for the year	(652,519)	(515,197)
Adjustments in respect of previous periods (see below)	19,711	(449,687)
	<u>(632,808)</u>	<u>(964,884)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	94,585	356,940
<b>Taxation on loss on ordinary activities</b>	<u>(538,223)</u>	<u>(607,944)</u>

The adjustments in respect of previous periods relate to Research and development tax credits.

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(776,322)</u>	<u>(413,751)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(147,501)	(78,613)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	18,575	7,212
Adjustments to tax charge in respect of prior periods	19,711	(449,687)
Adjustments to deferred tax charge in respect of prior periods	-	179,341
Additional deduction for research and development expenditure	(452,411)	(266,197)
Adjustment to deferred tax to average rates	(7,493)	-
Deferred tax not recognised	30,896	-
<b>Total tax charge for the year</b>	<u>(538,223)</u>	<u>(607,944)</u>

#### Factors that may affect future tax charges

The company has estimated tax losses carried forward of £985,000 (2018: £985,000).

JOHNSONS AGGREGATES AND RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019

9. Tangible fixed assets

	Freehold land and buildings £	Freehold improvements £	Leasehold improvements £	Plant and machinery £
<b>Cost</b>				
At 1 March 2018	1,365,548	2,027,853	237,793	15,482,465
Additions	811,678	-	-	896,718
Disposals	-	-	-	(296,295)
Transfers between classes	60,000	(60,000)	-	-
At 28 February 2019	<u>2,237,226</u>	<u>1,967,853</u>	<u>237,793</u>	<u>16,082,888</u>
<b>Depreciation</b>				
At 1 March 2018	-	5,832	237,793	2,651,381
Charge for the year	63,419	81,115	-	1,279,972
Disposals	-	-	-	(147,867)
At 28 February 2019	<u>63,419</u>	<u>86,947</u>	<u>237,793</u>	<u>3,783,486</u>
<b>Net book value</b>				
At 28 February 2019	<u>2,173,807</u>	<u>1,880,906</u>	<u>-</u>	<u>12,299,402</u>
At 28 February 2018	<u>1,365,548</u>	<u>2,022,021</u>	<u>-</u>	<u>12,831,084</u>

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**9. Tangible fixed assets (continued)**

	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 March 2018	173,133	15,352	19,302,144
Additions	-	-	1,708,396
Disposals	-	-	(296,295)
Transfers between classes	-	-	-
At 28 February 2019	<u>173,133</u>	<u>15,352</u>	<u>20,714,245</u>
<b>Depreciation</b>			
At 1 March 2018	83,259	13,938	2,992,203
Charge for the year	31,699	1,053	1,457,258
Disposals	-	-	(147,867)
At 28 February 2019	<u>114,958</u>	<u>14,991</u>	<u>4,301,594</u>
<b>Net book value</b>			
At 28 February 2019	<u>58,175</u>	<u>361</u>	<u>16,412,651</u>
At 28 February 2018	<u>89,874</u>	<u>1,414</u>	<u>16,309,941</u>

Included within freehold land and buildings is freehold land at a cost of £597,740 (2018: £597,740) which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	1,492,798	1,596,393
Motor vehicles	57,475	88,825
	<u>1,550,273</u>	<u>1,685,218</u>

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 March 2018 and 28 February 2019	100
<b>Net book value</b>	
At 28 February 2019	100
At 28 February 2018	100

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Registered office
			Crompton Road, Off Merling Way, Ilkeston, Derbyshire, England, DE7 4BG
Johnsons Aggregates Limited	Ordinary	100 %	

The company is dormant and therefore the profit or loss for the year amounts to £Nil (2018: £Nil). The aggregate of share capital of the company as at 28 February 2019 is £90 (2018: £90).

### 11. Stocks

	2019 £	2018 £
Stock	503,100	334,296

Stock recognised in cost of sales during the year as an expense was £1,779,836 (2018: £1,415,143).

### 12. Debtors

	2019 £	2018 £
Trade debtors	3,074,617	2,190,043
Other debtors	915,631	1,190,540
Prepayments and accrued income	1,362,000	32,938
	5,352,248	3,413,521

An impairment loss of £955 (2018: £36,996) was recognised in administrative expenses against trade debtors during the year.

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Invoice discounting facility	1,556,514	1,057,464
Bank loans	4,459,796	5,065,800
Other loans	553,416	512,166
Trade creditors	3,002,147	2,091,786
Other taxation and social security	121,431	95,196
Obligations under finance lease and hire purchase contracts	489,752	493,691
Other creditors	182,469	426,463
Accruals and deferred income	2,137,431	1,557,965
	<u>12,502,956</u>	<u>11,300,531</u>

The invoice discounting facility is secured over book debts.

The bank loans are secured on the company's assets, and a personal guarantee by a director of £50,000. Interest is charged at rates between 2.81% above base rate and 5.5% above base rate. Within bank loans is a sum of £4,400,000 (2018: £5,007,933) relating to a temporary facility in connection with the building of the new manufacturing facility. An agreement in principle is in place to refinance the loan onto a longer term asset based finance facility. The balance of bank loans relates to a mortgage loan secured on the company's freehold property and carries an interest rate of 2.8% above bank base rate.

'Other loans' consists of two loans. The first loan is from the Johnsons Services Limited SSAS, a pension scheme of which the beneficiaries include a director of the company and members of his family, and is repayable by monthly installments, the last of which falls due in July 2019. Interest is charged at 3.08% above base rate. Further details are included in note 23. The total amount outstanding at 28 February 2019 was £58,416 (2018: £195,582), the full amount (2018: £137,166) is due within one year.

The second loan of £750,000 (2018: £750,000) of which £375,000 (2018: £375,000) is due within 1 year, is from a director of the company. Interest of 4% per annum is charged on the loan. The loan is repayable upon certain milestones being achieved relating to the commissioning of the new manufacturing facility and the conversion of the £4,400,000 (2018: £5,007,933) temporary bank facility referred to above to a longer term asset based facility.

Within other creditors is an unsecured, interest free amount of £165,680 (2018: £165,680) owed by the company to one of its directors.

Obligations under finance lease and hire purchase contracts are secured over the specific assets concerned.

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 14. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Investor loan notes	5,556,400	4,584,307
Bank loans	780,876	840,060
Other loans	990,476	1,020,985
Net obligations under finance leases and hire purchase contracts	425,647	1,044,724
Other creditors	100	100
	<u>7,753,499</u>	<u>7,490,176</u>

Investor loan notes to the value of £3,125,000 (2018: £3,125,000) are unsecured fixed rate loan notes on which interest is charged at 10% per annum. Interest is payable on a quarterly basis. The loan notes are repayable in half yearly installments of £520,833 commencing on 30 June 2021.

The remaining investor loan notes of £2,431,400 (2018: £1,459,307) are secured over the company's assets by a fixed and floating charge. Interest is charged at 10% per annum and payable on a quarterly basis. The loan notes are repayable in half yearly installments of £243,218 commencing on 30 June 2021.

Included within 'Other loans' is £500,000 (2018: £500,000) of unsecured loan notes from an unconnected party. These are redeemable in installments of up to £250,000 at the noteholders request between January 2019 and 2021, subject to certain criteria. Interest is charged at 14.5%, rising each year to 20.0% in the final year. The loan notes are subject to a redemption premium in the event of either a significant sale of assets by the company, being more than 50% of the carrying value of tangible fixed assets, a share sale or a listing of the company's shares. The directors consider the likelihood of these events to be remote and therefore no provision for the redemption premium has been made within the financial statements.

'Other loans' also includes secured loan notes which were issued during the year, from two company directors of £83,480 (2018: £68,367) and £31,997 (2018: £19,203). The loan notes, are secured over the company's assets by a fixed and floating charge. Interest is charged at 10% per annum and is payable on a quarterly basis. The loan notes are repayable in half yearly installments of £6,300 and £5,333 respectively commencing on 30 June 2021. In addition, other loans includes the balance of the £750,000 directors loan referred to in note 13.

Details of security on bank loans and other loans are disclosed in note 13.

**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**15. Loans**

Analysis of the maturity of loans is given below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Bank loans	4,459,796	5,065,800
Other loans	553,416	512,166
	<u>5,013,212</u>	<u>5,577,966</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	331,171	840,060
Other loans	990,476	1,020,985
	<u>1,321,647</u>	<u>1,861,045</u>
<b>Amounts falling due 2-5 years</b>		
Investor loan notes	-	3,056,207
	<u>-</u>	<u>3,056,207</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	449,705	-
Investor loan notes	5,556,400	1,528,100
	<u>6,006,105</u>	<u>1,528,100</u>
	<u><u>12,340,964</u></u>	<u><u>12,023,318</u></u>

**16. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	489,752	493,691
Between 2-5 years	425,647	1,044,724
	<u>915,399</u>	<u>1,538,415</u>

Obligations under finance lease and hire purchase contracts are secured over the specific assets concerned.

# JOHNSONS AGGREGATES AND RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 17. Deferred taxation

	2019 £	2018 £
At start of the year	568,398	211,458
Charge for the year	94,585	356,940
<b>At end of the year</b>	<b>662,983</b>	<b>568,398</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	919,860	827,478
Short term timing differences	(89,366)	(91,568)
Tax losses carried forward	(167,511)	(167,512)
	<b>(662,983)</b>	<b>(568,398)</b>

### 18. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
7,600 Ordinary shares of £0.01 each	76	76
5,198 A Ordinary shares of £0.01 each	52	52
70 B1 Ordinary shares of £0.10 each	7	7
70 B2 Ordinary shares of £0.10 each	7	7
	<b>142</b>	<b>142</b>

The ordinary shares and A Ordinary shares have voting rights, are entitled to dividend and have a right to any excess distribution in accordance with the company's articles.

The B1 Ordinary shares and B2 Ordinary shares have voting rights, are not entitled to a dividend and have a right to any excess distribution in accordance with the company's articles.

### 19. Reserves

#### Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### Profit and loss account

This represents accumulated profits and losses from all current and prior periods less dividends paid.



**JOHNSONS AGGREGATES AND RECYCLING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**20. Capital commitments**

At 28 February 2019 the company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	-	934,041
	<u>          </u>	<u>          </u>

**21. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund amounted to £63,528 (2018: £33,945).

**22. Commitments under operating leases**

At 28 February 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	705,940	505,622
Later than 1 year and not later than 5 years	1,019,188	996,122
	<u>1,725,128</u>	<u>1,501,744</u>
	<u>          </u>	<u>          </u>

## JOHNSONS AGGREGATES AND RECYCLING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 23. Related party transactions

During the year, the company made purchases of £163,644 from a company of which a director of Johnsons Aggregates and Recycling Limited is both a shareholder and director. At the year end £30,151 was due to this company and is included within trade creditors.

##### *Transactions with associated Pension Schemes*

Two of the company's directors are trustees of the Johnsons Services Limited SSAS. During the year ended 28 February 2015, Johnsons Services SSAS loaned Johnsons Aggregates and Recycling Limited £500,000. The loan is secured against certain assets of the company and is repayable over 5 years. Interest is charged on the loan at 3.08% per annum. At 29 February 2018 the balance owing to the Johnson Services SSAS was £58,416 (2018: £195,582).

##### *Transactions with directors*

Included within other loans is an amount of £165,680 (2018: £165,680) owed by the company to one of its directors. No interest is payable on this loan. This loan is only repayable upon certain bank and other loans having been settled.

Also included within other loans are amounts of £819,797 (2018: £791,890) owed by the company to two of its directors. The loans are repayable in installments and interest is charged on the loans at rates of between 4% and 10% per annum. This loan is only repayable upon certain bank and other loans having been settled.

##### *Key management personnel remuneration*

Remuneration paid to key management personnel in the year, including directors, was £506,546 (2018: £468,850).

#### 24. Controlling party

The company is controlled by Mr S D Johnson who is a director of the company but subject to the terms of an investment agreement with BGF Investments LP.