

# Kernow Oils Limited

Unaudited Filleted Financial Statements  
for the Year Ended 31 October 2022

## **Kernow Oils Limited**

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**Kernow Oils Limited**  
**Company Information**

**Directors**

Mr M J Adkins  
Mrs E C Adkins  
Mr A D Rosser  
Mr D P Rule  
Mr S D Adkins

**Registered office**

Guildford Road Ind. Estate  
HAYLE  
Cornwall  
TR27 4QZ

**Kernow Oils Limited**  
**(Registration number: 04773016)**  
**Balance Sheet as at 31 October 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	1	1
Tangible assets	<u>5</u>	942,221	941,304
		<u>942,222</u>	<u>941,305</u>
<b>Current assets</b>			
Stocks	<u>6</u>	929,457	677,583
Debtors	<u>7</u>	1,116,403	938,259
Cash at bank and in hand		3,952	17,972
		<u>2,049,812</u>	<u>1,633,814</u>
<b>Creditors:</b> Amounts falling due within one year	<u>8</u>	(1,210,913)	(843,817)
<b>Net current assets</b>		<u>838,899</u>	<u>789,997</u>
<b>Total assets less current liabilities</b>		1,781,121	1,731,302
<b>Creditors:</b> Amounts falling due after more than one year	<u>8</u>	(875,586)	(995,852)
<b>Provisions for liabilities</b>		<u>(30,145)</u>	<u>(20,725)</u>
<b>Net assets</b>		<u>875,390</u>	<u>714,725</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Retained earnings		<u>875,290</u>	<u>714,625</u>
Shareholders' funds		<u>875,390</u>	<u>714,725</u>

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

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 26 July 2023 and signed on its behalf by:

.....

Mr M J Adkins

Director

## **Kernow Oils Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Guildford Road Ind. Estate

HAYLE

Cornwall

TR27 4QZ

These financial statements were authorised for issue by the Board on 26 July 2023.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Going concern**

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

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **Government grants**

Government grants in relation to tangible fixed assets are credited to the profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to the profit and loss account.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

## **Kernow Oils Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2022**

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	20 - 50% reducing balance
Motor vehicles	25% reducing balance
Land and buildings	Buildings straight line over 50 years

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20% straight line

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

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Kernow Oils Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2022**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Notes to the Financial Statements for the Year Ended 31 October 2022

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Financial instruments**

**Classification**

Financial assets are classified into either basic or other financial assets. Financial liabilities are classified into either basic or other financial liabilities. These classifications depend on certain criteria determined at the time of recognition.

**Recognition and measurement**

The company holds only basic financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Basic financial assets, which include trade and other debtors, 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 initially measured at the present value of the future receipts discounted at a market rate of interest and subsequently held at amortised cost.

Basic financial liabilities, including trade and other payables are initially measured 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. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

**Impairment**

Basic financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

**3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 23 (2021 - 21).



Kernow Oils Limited

Notes to the Financial Statements for the Year Ended 31 October 2022

4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 November 2021	32,431	32,431
At 31 October 2022	32,431	32,431
<b>Amortisation</b>		
At 1 November 2021	32,430	32,430
At 31 October 2022	32,430	32,430
<b>Carrying amount</b>		
At 31 October 2022	1	1
At 31 October 2021	1	1

**Kernow Oils Limited**

**Notes to the Financial Statements for the Year Ended 31 October 2022**

**5 Tangible assets**

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 November 2021	881,787	49,751	44,898	179,746	1,156,182
Additions	-	-	154	47,896	48,050
Disposals	-	-	-	(19,316)	(19,316)
At 31 October 2022	881,787	49,751	45,052	208,326	1,184,916
<b>Depreciation</b>					
At 1 November 2021	49,564	35,190	25,394	104,730	214,878
Charge for the year	10,581	2,921	3,925	28,732	46,159
Eliminated on disposal	-	-	-	(18,342)	(18,342)
At 31 October 2022	60,145	38,111	29,319	115,120	242,695
<b>Carrying amount</b>					
At 31 October 2022	821,642	11,640	15,733	93,206	942,221
At 31 October 2021	832,223	14,561	19,504	75,016	941,304

Included within the net book value of land and buildings above is £821,642 (2021 - £832,223) in respect of freehold land and buildings.

Kernow Oils Limited

Notes to the Financial Statements for the Year Ended 31 October 2022

**6 Stocks**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other inventories	929,457	677,583

**7 Debtors**

<b>Current</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,067,767	929,894
Prepayments	6,743	7,717
Other debtors	41,893	648
	<u>1,116,403</u>	<u>938,259</u>

**8 Creditors**

**Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Loans and borrowings	9 170,558	148,300
Trade creditors	869,352	519,262
Taxation and social security	154,641	156,647
Accruals and deferred income	5,751	7,486
Other creditors	10,611	12,122
	<u>1,210,913</u>	<u>843,817</u>

**Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Due after one year</b>		
Loans and borrowings	9 <u>875,586</u>	<u>995,852</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>

**Due after more than five years**

After more than five years by instalments	477,905	499,708
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Creditors includes bank loans, invoice finance and net obligations under hire purchase contracts which are secured of £647,536 (2021 - £664,986). These are secured with a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, bookdebts, uncalled capital, buildings fixtures fixed plant and machinery.

**Kernow Oils Limited**

**Notes to the Financial Statements for the Year Ended 31 October 2022**

**9 Loans and borrowings**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	847,694	978,256
Hire purchase contracts	27,892	17,596
	<u>875,586</u>	<u>995,852</u>

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Current loans and borrowings</b>		
Bank borrowings	148,820	118,769
Hire purchase contracts	21,738	14,696
Other borrowings	-	14,835
	<u>170,558</u>	<u>148,300</u>

**10 Financial commitments, guarantees and contingencies**

**Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £82,740 (2021 - £70,187). These represent operating lease commitments.

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.