Company No: 01977927 (England and Wales)

A J WAKELY & SONS LIMITED

Unaudited Financial Statements

For the financial year ended 31 May 2023

Pages for filing with the registrar

Contents

A J WAKELY & SONS LIMITED
BALANCE SHEET
As at 31 May 2023

	Note	2023	2022
		£	**£**
Fixed assets			
Intangible assets	3	698,751	1,103,266
Tangible assets	4	1,615,819	1,417,452
Investment property	5	375,000	365,370
Investments	6	1,000	1,000
		2,690,570	**2,887,088**
Current assets			
Stocks	7	31,492	24,538
Debtors	8	601,255	613,629
Cash at bank and in hand		1,708,896	1,160,715
		2,341,643	**1,798,882**
Creditors: amounts falling due within one year	9	(1,328,428)	(1,470,205)
Net current assets		**1,013,215**	**328,677**
Total assets less current liabilities		**3,703,785**	**3,215,765**
Creditors: amounts falling due after more than one year	10	(139,200)	0
Provision for liabilities		(103,354)	(116,460)
Net assets		**3,461,231**	**3,099,305**
Capital and reserves			
Called-up share capital		100	100
Fair value reserve		7,222	0
Profit and loss account		3,453,909	3,099,205
Total shareholders' funds		**3,461,231**	**3,099,305**

For the financial year ending 31 May 2023 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 financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of A J Wakely & Sons Limited (registered number: 01977927) were approved and authorised for issue by the Director on 07 November 2023. They were signed on its behalf by:

C J Wakely
Director

S Wakely
Director

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

A J Wakely & Sons Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 91 East Street, Bridport, DT6 3LB, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Group accounts exemption

Group accounts exemption s399
The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

Change in accounting estimate

During the year to 31 May 2023, A J Wakely & Sons Limited changed the method of amortising its goodwill from 10 years on a straight line basis to 5 years on a straight-line basis as this revised method better reflects the useful life of goodwill following a business combination.

The change in amortisation method is a change in accounting estimate and is accounted for in the period of the change (i.e. in the current year) and in subsequent periods.

Turnover

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

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Taxation

Current tax
Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Tax is recognised in the profit and loss account, 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.

Deferred tax
Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	5 years straight line

Goodwill

Goodwill arises on business combinations and represents any excess of consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is initially recognised as an intangible asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful economic life, which is five years.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	10 - 50 years straight line
Plant and machinery	25 % reducing balance
Vehicles	25 % reducing balance
Fixtures and fittings	15 % reducing balance
Computer equipment	3 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Investment property

Investment property is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

The fair value is determined annually by the directors, on an open market value for existing use basis.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

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

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. 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.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	67	67

3. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 01 June 2022	2,462,577	2,462,577
At 31 May 2023	**2,462,577**	**2,462,577**
Accumulated amortisation		
At 01 June 2022	1,359,311	1,359,311
Charge for the financial year	404,515	404,515
At 31 May 2023	**1,763,826**	**1,763,826**
Net book value		
At 31 May 2023	**698,751**	**698,751**
At 31 May 2022	1,103,266	1,103,266

4. Tangible assets

	Land and buildings	Plant and machinery	Vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 01 June 2022	1,416,114	1,319,774	195,973	227,410	40,364	3,199,635
Additions	261,442	0	34,400	33,699	13,217	342,758
At 31 May 2023	**1,677,556**	**1,319,774**	**230,373**	**261,109**	**53,581**	**3,542,393**
Accumulated depreciation						
At 01 June 2022	448,934	1,030,076	114,640	151,627	36,906	1,782,183
Charge for the financial year	30,609	72,425	26,067	12,020	3,270	144,391
At 31 May 2023	**479,543**	**1,102,501**	**140,707**	**163,647**	**40,176**	**1,926,574**
Net book value						
At 31 May 2023	**1,198,013**	**217,273**	**89,666**	**97,462**	**13,405**	**1,615,819**
At 31 May 2022	967,180	289,698	81,333	75,783	3,458	1,417,452

5. Investment property

	Investment property
	£
Valuation	
As at 01 June 2022	**365,370**
Fair value movement	9,630
As at 31 May 2023	**375,000**

The investment property was revalued at 31 May 2023 by the directors on a market value basis.

There has been no valuation of investment property by an independent valuer.

6. Fixed asset investments

	2023	2022
	£	£
Subsidiary undertakings	1,000	1,000

Investments in subsidiaries

	2023
	£
Cost	
At 01 June 2022	1,000
At 31 May 2023	**1,000**
Carrying value at 31 May 2023	**1,000**
Carrying value at 31 May 2022	1,000

The company holds 100% of the ordinary share capital of J. F. Clarke & Son Limited. Their registered office is Lyme Road, Axminster, Devon, EX13 5BE.

The principal activity of J.F. Clarke & Son Limited is that of a dormant company.

7. Stocks

	2023	2022
	£	£
Stocks	31,492	24,538

8. Debtors

	2023	2022
	£	£
Trade debtors	536,438	541,414
Other debtors	64,817	72,215
	601,255	**613,629**

9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans (secured)	34,800	0
Trade creditors	158,698	130,637
Taxation and social security	245,371	317,785
Other creditors	889,559	1,021,783
	1,328,428	**1,470,205**

10. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans (secured)	139,200	0

Bank borrowings are secured by a fixed legal charge over one of the freehold properties.

11. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
within one year	59,750	44,667
between one and five years	57,000	72,000
after five years	0	3,000
	116,750	**119,667**

The total commitment shown above is in relation to non-cancellable operating leases on business premises.

12. Events after the Balance Sheet date

After the year end, the company acquired 100% of the ordinary share capital of Cotton and Son Limited.