

Company Registration No. SC271214 (Scotland)

COMPANIES HOUSE

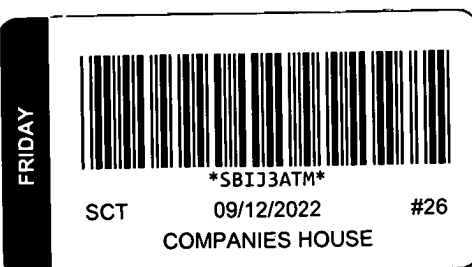
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**JOHN R. ADAM & SONS (HOLDINGS)  
LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J S Adam J R Adam D McWatt
<b>Secretary</b>	D McWatt
<b>Company number</b>	SC271214
<b>Registered office</b>	Riverside Berth King George V Dock GLASGOW G51 4SD
<b>Auditor</b>	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

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# **JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

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# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

### Principal Activities and Business Review

The Group is principally engaged in the processing and recycling of scrap metal.

### Overall Strategy

The Group's ongoing aim is to continue to achieve maximum metal recovery from processing operations and reduce material going to landfill.

### Business Review

During 2021 the average price of scrap showed a significant improvement (43%) and this together with the increased tonnage accounted for the significant increase in the turnover figure, however due to the increase in material purchase price, and market conditions the gross margin did not increase. The increased tonnages allowed for lower costs per tonne which improved the net profitability for the year.

The Directors continued to upgrade the Group's processing equipment and older vans and invested £418,244 (2020: £477,491) in capital expenditure during the year.

There was an exceptional item of £2,140,665 as a result of outstanding issues with HMRC.

### Financial Key Performance Indicators

	2021	2020	2019
	£	£	£
Turnover	84,356,652	48,367,916	58,701,342
Operating Profit / (Loss)	2,831,078	(1,480,128)	(190,476)
Profit / (Loss) before tax	3,106,960	(1,886,109)	(1,888,109)
Cash in Hand	12,384,017	9,163,493	12,678,732
Total Net Assets	20,229,931	18,556,736	21,534,064

# **JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Principal risks and uncertainties**

The major risks facing the Group are changes to commodity prices which are monitored closely by management.

### **Financial Risk Management Objectives and Policies**

The Group's operations expose it to a variety of financial risks as described in more detail below. In order to manage the Group's exposure to these risks, the Group enters into a number of derivative transactions, including forward currency contracts.

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities.

The directors review and agree policies for managing each of these financial risks and they are summarised below. These policies have remained unchanged from previous years.

### **Price Risk**

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the cost of managing exposure to commodity price risk exceeds the potential benefits.

### **Credit Risk**

The principal credit risk that arises is from trade debtors. The Group implements a policy that requires credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the directors.

### **Liquidity Risk**

The Group seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely.

### **Exchange Risk**

The Group is exposed to an element of exchange risk as a result of their operations and transactions out with the United Kingdom.

In addition to financial indicators, the directors monitor on an ongoing basis, health and safety and environmental issues.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Other information and explanations

#### Section 172 statement

As directors of the Company, we have and continue to act in a way that we consider, in good faith, to be most likely to promote the continuing success of the Company for the benefit of its shareholders, and in doing so had regard, amongst other matters, to:

- The likely consequences of decisions in the long-term;
- The interests of the Company's employees;
- The importance of the business relationships with the Company's customers, users, suppliers and others;
- The impact of the Company's operations on the community and the environment;
- The importance of maintaining strong controls around customer data and client funds;
- The desirability for the Company to maintain a reputation for high standards of business conduct; and
- The need to act fairly for all shareholders of the Company.

#### Shareholders

In order to protect the funds of the shareholders the operational strategy and financial matters are regularly reviewed and discussed with the ultimate shareholders.

#### Customers

We need customers to sustain our business and provide opportunities to get a return for the shareholders and keep the workforce employed.

We aim to give our customers a high level of service and are in regular contact by phone and email to keep the supply and sale of material flowing smoothly.

#### Workforce

Our workforce are key to providing support to our suppliers and customers. We are active in training and motivating our workforce to retain the high level of service that we pride ourselves in. Health and safety is of paramount importance to our business and is constantly reviewed.

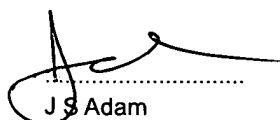
#### Suppliers

We try to give our suppliers a high level of efficient service to ensure quick turnaround times. We are in constant contact with our suppliers by phone, email and personal contact to ensure a smooth and steady flow of material.

#### Environment

We are committed to supporting the communities that we work in and being environmentally responsible. To this end, the Company holds a Pollution, Prevention and Control (PPC) permit with SEPA. The objective of this permit is to promote the effective use of resources to avoid the unnecessary generation of waste and pollution, with a focus on sustainability and compliance with environmental standards and targets.

On behalf of the board

  
.....  
J S Adam  
Director

Date: 6/12/22  
.....

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the group continued to be that of processing and recycling scrap metal. The principal activity of the company was that of a holding company.

#### Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £500,000 (2020: £506,685). The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J S Adam

J R Adam

D McWatt

#### Post reporting date events

On 12 July 2022, the company sold the ordinary share capital of John R. Adam & Sons Limited and Thistle Metals Limited to Recycling Lives Limited. The investment property previously owned by John R. Adam & Sons Limited was transferred on this date to John R. Adam & Sons (Holdings) Limited.

#### Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Energy and carbon report

##### Energy use

Large UK companies are required to report publicly on their global energy use and carbon emissions within the Directors' Report. This requirement has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS). Our reporting scope is John R. Adam & Sons Limited as emissions data is not required to be presented for any subsidiaries which would not be obliged to report individually according to the thresholds.

##### The environmental impact of our operations

The Directors recognise that we have a responsibility to the environment and endeavour to be as environmentally friendly as possible in our business activities. We as a recycling company separate paper and plastic waste and food waste and separate as much as possible from any waste that goes to landfill. We are regularly visited by SEPA and hold a PPC permit and Waste Carriers Licence.

##### Methodology

To calculate the footprint, data was collated from across the company and from our suppliers to identify the amount of energy used in our operations. The company uses the most robust and accurate data source available for each component of its energy use and carbon emission calculations. Conversion factors are taken from UK Government conversions factors 2020.

Greenhouse gas (GHG) emissions are calculated in line with GHG Reporting Protocol - Corporate standards and reported in line with the UK Government's Guidance on Streamlined Energy and Carbon Reporting and mandatory GHG reporting guidance. The Directors recognise that we have a responsibility to the environment and try to be as environmentally friendly as possible in our business activities.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors recognise that we have a responsibility to the environment and try to be as environmentally friendly as possible in our business activities.

We as a recycling company separate paper and plastic waste and food waste and separate as much metal as possible from any waste that goes to landfill. We are regularly visited by SEPA and hold a PPC permit and Waste Carriers Licence.

Scope 1 emissions are direct emissions from sources that are owned or controlled by the Company (e.g. mobile plant and vehicles).

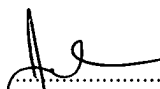
Scope 2 emissions are indirect emissions from sources that are owned or controlled by the Company (e.g. Electricity).

	2021		2020	
	Energy Use kWh	Tonnes CO <sub>2</sub> e	Energy Use kWh	Tonnes CO <sub>2</sub> e
Scope 1	1,195,434	1,191.58	264,767	1,050.35
Scope 2	3,020,013	704.09	2,817,579	656.89
Total energy use & greenhouse gas emissions	4,215,448	1,895.67	3,082,346	1,707.24
Greenhouse gas emissions per FTE	78,064	35.10	55,042	30.49
Greenhouse gas emissions per £ 100,000 revenue	5,033	2.26	6,445	3.57

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

  
.....  
J.S. Adam  
Director

Date: 06/12/22.



# **JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# **JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

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#### **Opinion**

We have audited the financial statements of John R Adam & Sons (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2021 and of the group's profit 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 Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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

# **JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF JOHN R. ADAM & SONS (HOLDINGS) LIMITED**

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

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 parent 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.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF JOHN R. ADAM & SONS (HOLDINGS) LIMITED

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#### **Extent to which the audit is considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP
- Companies Act 2006
- VAT and Corporation Tax legislation
- Health & safety related legislation
- SEPA legislation

We gained an understanding of how the Group is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF JOHN R. ADAM & SONS (HOLDINGS) LIMITED

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#### 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.

*Johnston Carmichael LLP*

James Hamilton (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP

*06/12/22*

Chartered Accountants  
Statutory Auditor

227 West George Street  
Glasgow  
G2 2ND

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Turnover	4	84,356,652	48,367,916
Cost of sales		(67,977,586)	(37,658,340)
<b>Gross profit</b>		<b>16,379,066</b>	<b>10,709,576</b>
Administrative expenses		(11,586,173)	(12,526,375)
Other operating income		178,850	336,671
Exceptional items	3	(2,140,665)	-
<b>Operating profit/(loss)</b>	<b>6</b>	<b>2,831,078</b>	<b>(1,480,128)</b>
Interest receivable and similar income	10	8,242	23,998
Interest payable and similar expenses	9	(3,505)	(429,979)
Fair value gains and losses on investment properties		200,000	-
Fair value gains and losses on foreign exchange contracts		71,145	-
<b>Profit/(loss) before taxation</b>		<b>3,106,960</b>	<b>(1,886,109)</b>
Tax on profit/(loss)	11	(933,765)	(584,534)
<b>Profit/(loss) for the financial year</b>	<b>24</b>	<b>2,173,195</b>	<b>(2,470,643)</b>
<b>Total comprehensive loss for the year</b>		<b>2,173,195</b>	<b>(2,470,643)</b>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive profit for the year is all attributable to the owners of the parent company.

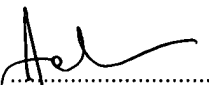
# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		3,844,999		4,481,420
Investment properties	14		2,540,000		2,340,000
			<u>6,384,999</u>		<u>6,821,420</u>
<b>Current assets</b>					
Stocks	17	7,008,032		4,101,123	
Debtors	18	6,436,315		6,175,128	
Cash at bank and in hand		12,384,017		9,163,493	
		<u>25,828,364</u>		<u>19,439,744</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(6,620,014)</u>		<u>(4,636,381)</u>	
<b>Net current assets</b>			<u>19,208,350</u>		<u>14,803,363</u>
<b>Total assets less current liabilities</b>			<u>25,593,349</u>		<u>21,624,783</u>
<b>Provisions for liabilities</b>	20		<u>(5,363,418)</u>		<u>(3,068,047)</u>
<b>Net assets</b>			<u><u>20,229,931</u></u>		<u><u>18,556,736</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		460,625		460,625
Revaluation reserve	24		1,273,092		1,273,092
Capital redemption reserve	24		209,375		209,375
Other reserves	24		894,783		894,783
Profit and loss reserves	24		17,392,056		15,718,861
<b>Total equity</b>			<u><u>20,229,931</u></u>		<u><u>18,556,736</u></u>

The financial statements were approved by the board of directors and authorised for issue on 06/12/22 and are signed on its behalf by:

  
 J.S. Adam  
 Director

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

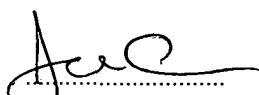
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	15		1,692,846		1,692,846
<b>Current assets</b>		-		-	
<b>Creditors: amounts falling due within one year</b>	19	(839,636)		(839,636)	
<b>Net current liabilities</b>			(839,636)		(839,636)
<b>Net assets</b>			853,210		853,210
<b>Capital and reserves</b>					
Called up share capital	23		460,625		460,625
Capital redemption reserve	24		209,375		209,375
Profit and loss reserves	24		183,210		183,210
<b>Total equity</b>			853,210		853,210

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £500,000 (2020: £500,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 06/12/22 and are signed on its behalf by:

  
J S Adam  
Director

Company Registration No. SC271214



**JOHN R. ADAM & SONS (HOLDINGS) LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 January 2020</b>	460,625	1,273,092	209,375	894,783	18,696,189	21,534,064
<b>Year ended 31 December 2020:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(2,470,643)	(2,470,643)
Dividends	-	-	-	-	(506,685)	(506,685)
<b>Balance at 31 December 2020</b>	460,625	1,273,092	209,375	894,783	15,718,861	18,556,736
<b>Year ended 31 December 2021:</b>						
Loss and total comprehensive expenditure for the year	-	-	-	-	2,173,195	2,173,195
Dividends	-	-	-	-	(500,000)	(500,000)
<b>Balance at 31 December 2021</b>	460,625	1,273,092	209,375	894,783	17,392,056	20,229,931

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		460,625	209,375	189,895	859,895
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	500,000	500,000
Dividends	12	-	-	(506,685)	(506,685)
<b>Balance at 31 December 2020</b>		460,625	209,375	183,210	853,210
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	500,000	500,000
Dividends	12	-	-	(500,000)	(500,000)
<b>Balance at 31 December 2021</b>		460,625	209,375	183,210	853,210

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	30		5,012,711		(225,761)
Interest paid			(3,505)		(4)
Income taxes paid			(913,860)		(21,988)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>4,095,346</b>		<b>(247,753)</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(418,659)		(688,461)	
Proceeds on disposal of tangible fixed assets		35,595		172,197	
Interest received		3,086		68,776	
Dividends received		5,156		5,000	
<b>Net cash used in investing activities</b>			<b>(374,822)</b>		<b>(442,488)</b>
<b>Financing activities</b>					
Dividends paid to equity shareholders		(500,000)		(506,685)	
<b>Net cash used in financing activities</b>			<b>(500,000)</b>		<b>(506,685)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>3,220,524</b>		<b>(1,196,926)</b>
Cash and cash equivalents at beginning of year			9,163,493		13,875,658
<b>Cash and cash equivalents at end of year</b>			<b>12,384,017</b>		<b>12,678,732</b>

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

John R Adam & Sons (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Riverside Berth, George V Dock, Renfrew Road, Glasgow, G51 4SD.

The group consists of John R. Adam & Sons (Holdings) Limited and all of its subsidiaries, and its general activities are that of a scrap metal merchant.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of John R. Adam & Sons (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

The Directors have prepared the financial statements on a going concern basis. Following the sale of two trading businesses in July 2022, the directors intend to retain the investment property and associated rental income. The group will have sufficient cash reserves to meet its obligations and as such the Directors have a reasonable expectation that the Company has significant funding in place to allow the Company to continue as a going concern for a minimum period of 12 months from the date of authorising the financial statements. In making this assessment, the Directors acknowledge that forecasts are by nature forward looking and therefore may vary from actual results. The Directors will closely monitor the business and marketplace and react to any changes in a timely manner.

##### 1.4 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 trade discounts, VAT and other sales related taxes. Revenue is recognised on despatch of goods over the weighbridge for domestic sales and on discharge of vessels at ports for exports. Adjustments relating to price and weight differences are accrued against turnover.

##### 1.5 Tangible fixed assets

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

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

Freehold land and buildings	15 year straight line
Leasehold land and buildings	over the remaining period of the lease
Plant and equipment	30% reducing balance and 10%/20% straight line

Investment properties are revalued annually at their fair value in accordance with FRS 102 less any subsequent accumulated depreciation and impairment losses. No depreciation is provided on investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for investment and not consumption and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view.

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 recognised in the profit and loss account.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated net realisable value on quantities estimated by the directors and on a basis consistent with the previous year. Cost comprises direct materials delivered to the company's premises. No overheads have been added to stock valuation in respect of handling or processing cost, as such costs are not considered to be material in relation to the overall value of stock.

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 the statement of comprehensive income. Reversals of impairment losses are also recognised in the statement of comprehensive income.

##### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.11 Equity instruments

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

##### 1.12 Taxation

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

###### **Current tax**

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

###### **Deferred tax**

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

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

##### 1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### 1.14 Employee benefits

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

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

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

##### 1.15 Retirement benefits

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



# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.16 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### 1.17 Government grants

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

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

##### 1.18 Foreign exchange

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

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Stock valuation (2021: £7,008,032 (2020: £4,101,123))**

Significant judgement and estimates of management are involved in the valuation and quantity of year end stock. Due to the nature of scrap metal and the price volatility, the valuation of such items at the year end is based on the management's judgements and past experience.

##### **Weighbridge accrual (2021: £2,778,043 (2020: £1,522,248))**

Significant judgement and estimates of management are required in the valuation of the year end weighbridge accrual. Accrued weighbridge tickets are held for a number of years. Although due care is applied to this process, there is an element of subjectivity involved.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Exceptional item

	2021 £	2020 £
<b>Exceptional items:</b>		
Exceptional GSOP Settlement	2,510,214	-
Exceptional PAYE & NI Accrual Release	(364,974)	-
	<u>2,145,240</u>	<u>-</u>

The company has reached agreement with HMRC on the settlement of the tax treatment on a GSOP scheme that was previously disclosed as a contingent liability. The company will pay £4.6m to HMRC and will recover £2.1m from the Directors with a cost of £2.45m being recognised in the year.

During the current year, settlement was reached with HMRC on an historical PAYE and NI assessment resulting in the release of an over-accrual of £0.4m in the income statement.

### 4 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Processing and sale of scrap metal	<u>84,356,652</u>	<u>48,367,916</u>

	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received	<u>-</u>	<u>187,841</u>

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	25,983,410	15,528,282
European Union	51,911,319	28,503,310
Rest of the World	<u>6,461,923</u>	<u>4,336,324</u>
	<u>84,356,652</u>	<u>48,367,916</u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	38,000	38,000
	<u>38,000</u>	<u>38,000</u>
<b>For other services</b>		
Taxation compliance services	38,050	10,000
All other non-audit services	-	81,250
	<u>38,050</u>	<u>91,250</u>

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Auditor's remuneration (Continued)

### 6 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(320,014)	(79,571)
Government grants	-	187,841
Depreciation of owned tangible fixed assets	1,025,315	1,110,092
Operating lease charges	82,363	58,561
	<u>          </u>	<u>          </u>

### 7 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Production staff	53	54	-	-
Administrative staff	12	16	-	-
Directors	4	5	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	69	75	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,261,989	2,111,569	-	-
Social security costs	303,573	1,448,564	-	-
Pension costs	95,171	115,242	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2,660,733	3,675,375	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	559,368	514,022
Company pension contributions to defined contribution schemes	7,128	7,776
	<u>          </u>	<u>          </u>
	566,496	521,798
	<u>          </u>	<u>          </u>

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	222,791	160,017

### 9 Interest payable and similar expenses

	2021 £	2020 £
Other interest	3,505	429,979

### 10 Interest receivable and similar income

	2021 £	2020 £
<b>Other income from investments</b>		
Dividends received	5,156	-

### 11 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	815,750	598,466
Adjustments in respect of prior periods	(110,114)	63
Total current tax	705,636	598,529
<b>Deferred tax</b>		
Origination and reversal of timing differences	35,160	(12,626)
Changes in tax rates	168,304	33,079
Adjustment in respect of prior periods	24,665	(34,448)
Total deferred tax	228,129	(13,995)
Total tax charge	933,765	584,534

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	3,106,960	(1,886,109)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	590,322	(358,361)
Tax effect of expenses that are not deductible in determining taxable profit	386,341	928,375
Tax effect of income not taxable in determining taxable profit	(135,488)	-
Adjustments in respect of prior years	24,665	(20,095)
Adjust deferred tax rate to 19%	176,220	33,079
Deferred tax not recognised	(22,374)	1,536
Chargeable gains/losses	50,524	-
Adjustment to tax charge in respect of previous periods	(135,465)	-
Exempt ABGH distributions	(980)	-
Taxation charge	933,765	584,534

#### 12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	500,000	506,685

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	589,878	248,347	15,147,566	1,815,128	17,800,919
Additions	-	-	364,579	54,080	418,659
Disposals	-	-	(715)	(122,524)	(123,239)
At 31 December 2021	629,518	208,707	15,511,430	1,746,684	18,096,339
<b>Depreciation and impairment</b>					
At 1 January 2021	236,062	149,065	11,748,418	1,185,954	13,319,498
Depreciation charged in the year	24,376	8,081	848,033	144,825	1,025,315
Eliminated in respect of disposals	-	-	(715)	(92,758)	(93,473)
At 31 December 2021	289,177	128,407	12,595,892	1,237,864	14,251,340
<b>Carrying amount</b>					
At 31 December 2021	340,341	80,300	2,915,538	508,820	3,844,999
At 31 December 2020	353,816	99,282	3,399,148	629,174	4,481,420

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

#### 14 Investment property

	Group 2021 £	Company 2021 £
<b>Fair value</b>		
At 1 January 2021 and 31 December 2021	2,340,000	-
Net gains or losses through fair value adjustments	200,000	-
At 31 December 2021	2,540,000	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2022 by Ryden, who are not connected with the company. The valuation was made on an open market value basis.

Investment properties are rented out under an operating lease. The future minimum lease payments under this operating lease are:

- £157,500 due within 1 year
- £840,000 due between 1 and 5 years
- £1,685,000 due after 5 years

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	1,692,846	1,692,846

#### Movements in fixed asset investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2021 and 31 December 2021	1,692,846
<b>Carrying amount</b>	
At 31 December 2021	1,692,846
At 31 December 2020	1,692,846

### 16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
John R. Adam & Sons Limited	See below	Ordinary	100.00 -
Thistle Metals Limited	See below	Ordinary	- 100.00
Smillie Metalics (Midlands) Limited	See below	Ordinary	- 100.00
JP Robertson & Co Limited	See below	Ordinary	- 100.00
Shieldhall Properties Limited	See below	Ordinary	- 100.00

The registered office for all companies listed above is Riverside Berth, King George V Dock, Renfrew Road, Glasgow, G51 4SD.

### 17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	6,987,021	4,096,596	-	-
Finished goods and goods for resale	21,011	4,527	-	-
	7,008,032	4,101,123	-	-

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,290,536	4,467,514	-	-
Corporation tax recoverable	-	658,756	-	-
Derivative financial instruments	71,145	-	-	-
Other debtors	2,786,650	592,367	-	-
Prepayments and accrued income	287,984	456,491	-	-
	<u>6,436,315</u>	<u>6,175,128</u>	<u>-</u>	<u>-</u>

### 19 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Trade creditors	2,250,150	1,627,165	-	-
Amounts owed to group undertakings	-	-	839,636	839,636
Corporation tax payable	551,076	18,077	-	-
Other taxation and social security	171,453	105,620	-	-
Other creditors	91	-	-	-
Accruals and deferred income	3,647,244	2,885,519	-	-
	<u>6,620,014</u>	<u>4,636,381</u>	<u>839,636</u>	<u>839,636</u>

### 20 Provisions for liabilities

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Provision for tax settlement		<u>4,617,960</u>	<u>2,550,718</u>	<u>-</u>	<u>-</u>
		4,617,960	2,550,718	-	-
Deferred tax liabilities	21	<u>745,458</u>	<u>517,329</u>	<u>-</u>	<u>-</u>
		<u>5,363,418</u>	<u>3,068,047</u>	<u>-</u>	<u>-</u>



# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Provision for tax settlement £	£	Total £
At 1 January 2021	2,550,718	-	2,550,718
Additional provisions in the year	-	4,617,960	4,617,960
Reversal of provision	(366,974)	-	(366,974)
Utilisation of provision	(2,183,744)	-	(2,183,744)
At 31 December 2021	-	4,617,960	4,617,960

The company has reached agreement with HMRC on the settlement of the tax treatment on a GSOP scheme that was previously disclosed as a contingent liability. The company will pay £4.6m to HMRC and will recover £2.1m from the Directors with a cost of £2.45m being recognised in the year.

During the current year, settlement was reached with HMRC on an historical PAYE and NI assessment resulting in the release of an over-accrual of £0.4m in the income statement.

#### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £
Fixed asset timing differences	371,291	308,695
Short term timing differences	(621)	(1,016)
Capital gains / losses	374,788	209,650
	<u>745,458</u>	<u>517,329</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 January 2021	517,329	-
Charge to profit or loss	228,129	-
Liability at 31 December 2021	<u>745,458</u>	<u>-</u>

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	95,171	115,242

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 23 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	460,625	460,625	460,625	460,625

### 24 Reserves

#### Revaluation reserve

The revaluation reserve represents the excess of the fair value of investment properties over their depreciated historic cost, less a provision for deferred taxation.

#### Profit and loss reserves

Profit and loss reserves are the cumulative profits and losses incurred by the group since incorporation and not distributed to the shareholders.

#### Capital Redemption Reserves

This represents the purchase of own shares.

#### Other Reserves

This relates to the acquisition of John R. Adam & Sons (Holdings) Ltd group on 1 September 2004 which was accounted for under the merger accounting policies.

### 25 Financial commitments, guarantees and contingent liabilities

The following disclosure relates to the subsidiary undertaking John R. Adam & Sons Limited.

The directors obtained confirmation from HMRC that their assessment of £1m of VAT being payable in respect of VAT matters has been withdrawn.

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 26 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	387,500	387,500	-	-
Between two and five years	1,550,000	1,550,000	-	-
In over five years	387,500	775,000	-	-
	<u>2,325,000</u>	<u>2,712,500</u>	<u>-</u>	<u>-</u>

#### 27 Events after the reporting date

On 12 July 2022, the company sold the ordinary share capital of John R. Adam & Sons Limited and Thistle Metals Limited to Recycling Lives Limited. The investment property previously owned by John R. Adam & Sons Limited was transferred on this date to John R. Adam & Sons (Holdings) Limited.

#### 28 Related party transactions

##### Transactions with related parties

The group has taken advantage of the exemption available in respect of Section 33.1a of FRS 102, which exempts them from disclosing transactions with other group companies which are wholly owned subsidiaries.

#### 29 Directors' transactions

Both Directors loans were repaid in full post the year end.

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
J S Adam -	-	-	626,499	626,499
J R Adam -	-	-	1,485,823	1,485,823
		<u>-</u>	<u>2,112,322</u>	<u>2,112,322</u>

# JOHN R. ADAM & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 30 Cash generated from group operations

	2021 £	2020 £
Profit/(loss) for the year after tax	2,173,195	(2,470,643)
Adjustments for:		
Taxation charged	933,765	584,534
Interest paid	3,505	429,979
Gain on disposal of tangible fixed assets	(5,829)	(5,829)
Interest received	(3,086)	(23,998)
Dividend income received	(5,156)	-
Depreciation and impairment of tangible fixed assets	1,025,315	1,110,092
Revaluation of assets	(200,000)	-
Increase in provisions	2,295,371	2,536,723
Movements in working capital:		
Increase in stocks	(2,906,909)	(577,387)
(Increase) in debtors	(261,187)	(2,844,726)
Decrease in creditors	1,963,727	(305,820)
<b>Cash generated from/(absorbed by) operations</b>	<b>5,012,711</b>	<b>(1,567,075)</b>

### 31 Analysis of changes in net debt

	2021 £
<b>Opening net funds</b>	
Cash and cash equivalents	9,163,493
<b>Changes in net debt arising from:</b>	
Cash flows of the entity	3,220,524
Closing net funds as analysed below	12,384,017
<b>Closing net funds</b>	
Cash and cash equivalents	12,384,017