

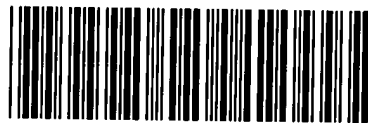
Registered number: 00137552

W & J LINNEY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 1 MAY 2022

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**W & J LINNEY LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	N S Linney M J H Linney C H C Linney
<b>Company secretary</b>	S Finn
<b>Registered number</b>	00137552
<b>Registered office</b>	Adamsway Mansfield Nottingham NG18 4FW
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>Bankers</b>	HSBC Bank Plc East Midlands Corporate Banking Centre Donington Court Pegasus Business Park Herald Way Castle Donington DE74 2BU  Barclays Bank PLC PO Box 299 Birmingham B1 3PF
<b>Solicitors</b>	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

## **W & J LINNEY LIMITED**

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## **W & J LINNEY LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 1 MAY 2022**

#### **Introduction**

The directors present their report and the financial statements for the year ended 1 May 2022.

The company's principal activities during the year were in marketing services, supply chain management and in particular creative services, film, digital screen content management, insight, print, e-commerce support and distribution services. There have not been any significant changes to the company's principal activities in the year under review.

#### **Business review**

As shown in the profit and loss account on page 11, turnover has increased by 27.8% this year, from £77.7m to £99.2m. Profit after taxation for the year was £3.3m compared to £2.1m in 2021.

Looking back over the year, it did feel like the year we bounced back, especially numbers wise. We would obviously include turnover, profits and cash in that statement but also our headcount, order volume and frequency - as well as cars in the car park! It was great to welcome back everyone to the business and it was fantastic to feel the offices come alive again.

Some of our clients didn't slow down too much during the previous year and some in sectors like travel and hospitality had a terrible time. However it's good to note that many of our clients are also returning to pre-covid trading levels. For some, their marketing plans have changed but we have been able to support that change with the very wide marketing services offer that we have. We have certainly seen more activity in our insight, film and animation, social media and e-commerce teams.

Last year I reported that supply chain issues were a bit of a concern as the lag from lockdowns across the world were starting to have an impact in some areas. We have very long standing relationships with our suppliers and they have been a terrific help in making sure we had and have everything we needed. Special thanks go to them all and I'm pleased to say that we have not been overly impacted in getting hold of materials and other general parts and consumables.

What we didn't forecast or certainly didn't want to believe would happen; was the war in Ukraine. This has added new issues for the whole of the world to overcome – the obvious one being the much discussed inflationary pressure and commodity price increases – especially in energy costs. As I write this review we have just had very welcome news of the Energy Bills support from Government. We all hope the energy markets settle down.

We cannot get away from the fact that we are a large manufacturer and these costs do have a considerable impact on our business. We have made every effort to negate the extra costs we are seeing and are trying to minimise any price increases to our clients.

Our focus continues to be in developing our strong proposition and reputation in the marketing services field and we have continued to invest in people, technology and equipment. Our forward order book looks very healthy and we are feeling confident in returning the business to similar levels of growth that we were obtaining pre-covid.

Like any business we measure our performance using both financial and non-financial criteria. Our financial key performance measures relate to sales, value-added, profit, average return on capital employed, stock turns and cash-flow. We were delighted with this year's Client Review and the feedback we got on our performance. We thank all of our clients for this valuable insight and we will continue to put excellent service at the heart of what we do at Linney.

Again, our accreditations for ISO 27001 (Information Security), ISO 14001 (Environmental) and our ISO 9001 (Quality Management) have all been successfully renewed.

We are pleased to report that our charitable contributions, mainly to Mansfield based organisations, was £161,000 for the 12 month period.

## **W & J LINNEY LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 1 MAY 2022**

#### **Future developments**

The directors do not foresee any changes to the principal activity of the company. Trading remains strong, with performance being in line with expectations.

#### **Principal risks and uncertainties**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. Where risks are identified that are not acceptable, action plans are developed to mitigate these with clear allocation of responsibilities and progress towards completion is monitored and reported on. The directors have identified the following key business risks that could have a material impact on the future performance of the company and the controls in place to manage the risk:

##### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by banking facilities. The company also has long term bank borrowing against which some of its fixed assets are secured.

##### **Credit risk**

The company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

#### **Section 172 (1) Statement**

The directors have acted in the way they consider, in good faith, promotes the success of the company for the benefit of its members as a whole, and in doing so have given regard to (amongst other matters):

##### **People**

We remain a very proud family business and employ many people in Mansfield and Nottinghamshire. Our culture and approach is based on the very long term view and we are committed to attracting, recruiting and training great people.

We were pleased to re-start our work experience programme and to welcome lots more visitors from schools and colleges. Our internal training, which had been put on hold through covid, has been re-started and all courses have had a review and freshen-up. This is currently a big priority in the business and we have put aside more time and introduced more trainers to help catch up from the year we have lost.

Details of the number of people and related costs can be found in note 7 of the financial statements.

##### **Health and safety**

The company promotes the Health and safety of all its employees as well as suppliers, customers or visitors whilst on our premises. We are committed as a company to prevent injury and ill health and strive towards continual improvement in all our operations. We consult with our employees, who have an active participation in all our activities that have a safety related context to eliminate hazards and reduce risks.

## **W & J LINNEY LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 1 MAY 2022**

#### **Section 172 (1) Statement (continued)**

##### **Environment**

We remain a carbon neutral business through minimising our carbon emissions and offsetting those we cannot avoid. We are proud to be one of a handful of certified carbon balanced printing companies in the UK.

Our sustainability team continue to ensure we are embedding sustainability across the business and rising to the environmental challenges we face. We have removed all plastics from our packaging, only use recycled paper sourced from FSC suppliers and only print using vegetable based inks. Our in-house sustainability consultancy, Linney Regenerate, has done some brilliant work finding new purpose for materials we use across the business

We have maintained the ISO 14001 accreditation (environmental management) and our Forestry Stewardship Council (FSC) Chain of Custody Certificate.

##### **Disabled Persons**

It is the company's policy to give full and fair consideration to suitable applications for employment from a person with a disability. Once employed, they receive equal opportunities for training, career development and promotion. Opportunities also exist for our people who become less-able to continue in their employment or to be trained for other positions within the company.

##### **Employee involvement**

The maintenance of a highly skilled workforce is essential to the future of the company. Every effort is made to ensure the future career development of our existing people, particularly in areas of new technology and quality. The health and safety at work of all our people is constantly reviewed by the directors to ensure the high standards set in previous years are maintained.

##### **Modern Slavery Act 2015**

The products and services delivered by the company are sourced from a broad range of both local and national suppliers. These supplier relationships are sourced and managed by the dedicated internal operational and management team.

The company has defined policies on legislation, child labour, conditions of employment, wages and benefits, health and safety and the environment. These policies have recently been updated to include our policy of anti-slavery and zero tolerance of human trafficking.

The company undertakes all reasonable and practical steps to ensure that standards are being implemented throughout the company's own operational and administrative business, along with that of our suppliers, in addition to local legislation and regulations being complied with. Any instances of non-compliance will be assessed on a case by case basis with appropriate remedial action when required.

The company will only trade with those who fully comply with this policy or are taking verifiable steps towards full compliance. This statement is approved and will be reviewed on a timely basis by the full Board of Directors pursuant to section 54(1) of the Modern Slavery Act 2015.

##### **Shareholders**

The management is committed and openly engaged with our Shareholders through regular Board Meetings and effective dialogue. The Shareholders and their representatives are actively engaged in understanding our strategy, culture, people and the performance of our shared objectives for the short, mid and longer terms.

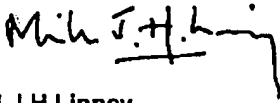
**W & J LINNEY LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 1 MAY 2022**

**Political donations**

The company has not made any donations to any political party or organisation.

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

A handwritten signature in black ink, appearing to read 'M J H Linney', with a horizontal line under the first part of the signature.

**M J H Linney**  
Director

Date: 12 October 2022

## **W & J LINNEY LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 1 MAY 2022**

The directors present their report and the financial statements for the year ended 1 May 2022.

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

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £3,279,000 (2021: £2,086,000).

The directors paid equity dividends in the year of £3.2m (2021: £Nil).

#### **Directors**

The directors who served during the year are shown on the company information page.

#### **Charitable contributions**

During the year charitable donations totalled £161,000 (2021: £30,000).



**W & J LINNEY LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 1 MAY 2022**

**Strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

**Streamlined energy and carbon reporting (SECR)**

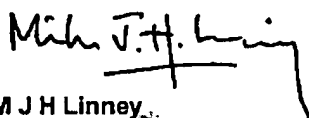
Information regarding SECR can be found in the WJL Group Limited accounts. A copy of the respective group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, as disclosed in note 24.

**Disclosure of information to auditor**

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

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

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



M J H Linney,  
Director

Date: 12<sup>th</sup> October 2022

## **W & J LINNEY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W & J LINNEY LIMITED**

#### **Opinion**

We have audited the financial statements of W & J Linney Limited (the 'company') for the year ended 1 May 2022, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 May 2022 and of its 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's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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.

## **W & J LINNEY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W & J LINNEY LIMITED (CONTINUED)**

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

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **W & J LINNEY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W & J LINNEY LIMITED (CONTINUED)**

#### **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.

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:

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with the framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls, including discussions with Directors, the Health and Safety Compliance manager and other management;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- obtaining an understanding and testing of the assumptions and calculations involved in the recognition of contracts, including reviews of cost allocation testing and review of the completeness of provisions for loss making contracts;
- performing audit work 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 the accounting estimates set out in note 2 for potential bias; and
- assessing key areas of estimation such as the provision for customer rebates and revenue recognition on long term contracts.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we have designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims and reviewing legal and professional expenses; and
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

W & J LINNEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF W & J LINNEY LIMITED (CONTINUED)

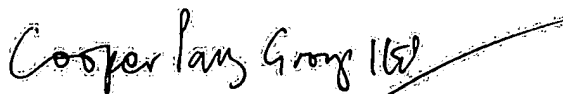
Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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



Andrew Honarmand (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants  
Statutory Auditor

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

Date: 18 October 2022

**W & J LINNEY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 MAY 2022**

	<b>Note</b>	<b>Year ended 1 May 2022 £000</b>	<b>Year ended 2 May 2021 £000</b>
<b>Turnover</b>	1.4,3	99,228	77,743
<b>Cost of sales</b>		(64,575)	(53,822)
<b>Gross profit</b>		<u>34,653</u>	<u>23,921</u>
<b>Administration expenses</b>		(22,673)	(21,652)
<b>Distribution costs</b>		(8,301)	(5,456)
<b>Other operating income</b>	4	<u>877</u>	<u>6,316</u>
<b>Operating profit</b>	5	4,556	3,129
<b>Interest and similar charges</b>	9	<u>(583)</u>	<u>(534)</u>
<b>Profit before tax</b>		3,973	2,595
<b>Tax on profit</b>	10	<u>(694)</u>	<u>(509)</u>
<b>Profit for the financial year</b>		<u><u>3,279</u></u>	<u><u>2,086</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

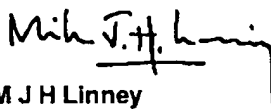
The notes on pages 14 to 31 form part of these financial statements.

**W & J LINNEY LIMITED**  
**REGISTERED NUMBER: 00137552**

**BALANCE SHEET**  
**AS AT 1 MAY 2022**

	Note	1 May 2022 £000	2 May 2021 £000
<b>Fixed assets</b>			
Tangible fixed assets	12	9,290	11,496
Investments	13	20	20
		<u>9,310</u>	<u>11,516</u>
<b>Current assets</b>			
Stocks	14	3,635	5,085
Debtors	15	33,096	23,474
Cash at bank and in hand		929	7,537
		<u>37,660</u>	<u>36,096</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(32,027)</u>	<u>(30,923)</u>
<b>Net current assets</b>		<u>5,633</u>	<u>5,173</u>
<b>Total assets less current liabilities</b>		<u>14,943</u>	<u>16,689</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(4,797)	(6,853)
<b>Provisions for liabilities</b>			
Deferred tax	19	-	231
<b>Net assets</b>		<u><u>10,146</u></u>	<u><u>10,067</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	186	186
Capital redemption reserve	21	64	64
Profit and loss account	21	9,896	9,817
		<u>10,146</u>	<u>10,067</u>

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

  
**M J H Linney**  
 Director

Date: 12 October 2022

The notes on pages 14 to 31 form part of these financial statements.

**W & J LINNEY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 1 MAY 2022**

	<b>Share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 3 May 2021</b>	186	64	9,817	10,067
Profit for the financial year	-	-	3,279	3,279
Dividends paid to holding company	-	-	(3,200)	(3,200)
<b>At 1 May 2022</b>	<u>186</u>	<u>64</u>	<u>9,896</u>	<u>10,146</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 2 MAY 2021**

	<b>Share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 3 May 2020</b>	186	64	7,731	7,981
Profit for the financial year	-	-	2,086	2,086
<b>At 2 May 2021</b>	<u>186</u>	<u>64</u>	<u>9,817</u>	<u>10,067</u>

The notes on pages 14 to 31 form part of these financial statements.



## W & J LINNEY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022



#### Accounting policies

W & J Linney Limited (the "company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company and are presented in round thousands (£000). The financial statements are for the year ended 1 May 2022 (2021: year ended 2 May 2021).

#### 1.1 Basis of preparation of financial statements

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

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

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

#### 1.2 Disclosure exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash flow statement, analysis of net debt, and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the parent company accounts. The parent company group accounts are available to the public and can be obtained as set out in note 24.

As the company is a wholly-owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the FRS 102 Section 33.1A exemption from disclosing transactions with group undertakings.

#### 1.3 Going concern

At the balance sheet date the company had a significant cash balance and net asset position and positive net current assets.

Based on the financial forecasts prepared by the directors the company will be able to operate within the facilities available to it. On that basis, the directors have prepared these financial statements on a going concern basis.

## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

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

##### **1.4 Turnover**

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

##### **Sale of goods**

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

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

##### **Rendering of services**

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

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

The turnover shown in the profit and loss account also represents amounts due on contracts completed during the year adjusted for turnover attributable to long term work in progress, exclusive of value added tax and trade discounts.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses. Turnover and cost of sales are calculated as a percentage of direct costs used. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Cumulative turnover is compared with total payments on account. If turnover exceeds payments on account an amount recoverable on contract is recognised and separately disclosed within debtors. If payments on account are greater than turnover to date, the excess is classified as a deduction from work in progress, with an residual balance in excess of cost being classified within creditors.

##### **1.5 Government grants**

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Government grants relate to the receipt of Coronavirus Job Retention Scheme income which is included within other operating income in the profit and loss account.

## W & J LINNEY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022



#### Accounting policies (continued)

##### 1.6 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised.

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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

Depreciation is provided on the following bases:

- |   |                |
|---|----------------|
| • Plant and machinery                               | - 5 - 15 years |
| • Furniture, fittings, equipment and motor vehicles | - 1 - 20 years |

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

The directors have undertaken a review of the remaining useful economic life of their asset pool. On review they have shortened the life of a number of assets, this has increased the depreciation expense and decreased fixed assets by £902,000 in the year ended 1 May 2022.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the profit and loss account.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

##### 1.7 Assets in the course of construction

Assets in the course of construction are capitalised and included within tangible fixed assets on the balance sheet. These assets are not depreciated until they have been brought fully into use. At this point the assets are transferred out of assets in the course of construction into the relevant category of tangible fixed assets.

## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

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

##### **1.8 Valuation of investments**

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

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the year.

##### **1.9 Stocks and work in progress**

Stocks are stated at lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

##### **1.10 Financial Instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from short term banking facilities and loans with related parties.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### **1.11 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.

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

## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

#### **Accounting policies (continued)**

##### **1.12 Leases**

Assets that are held by the company under leases which transfer substantially all the risks and rewards of ownership are classified as being held under finance leases and hire purchase contracts. Leases which do not transfer substantially all the risks and rewards of ownership are classed as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.13 Sale and leaseback**

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

##### **1.14 Provisions for liabilities**

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

##### **1.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

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

##### **1.16 Pensions**

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

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

##### **1.17 Research and development**

Research and development expenditure is written off to the profit and loss account within cost of sales in the year in which it is incurred.

Any tax credits arising in respect of research and development are credited to other operating income within the profit and loss account when it is reliably measured and it is probable that the credit will be received.

##### **1.18 Current and deferred taxation**

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

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

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

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

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

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

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

##### **Impairment of tangible fixed assets**

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

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

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

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

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

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

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

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

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

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

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## **W & J LINNEY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 MAY 2022**

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

##### **Provisions**

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

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

##### **Recognition of profit on contracts**

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

##### **Leasing**

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

##### **Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due.



**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**3. Turnover**

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the principal activities of the business.

**4. Other operating income**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Research and development expenditure credit	176	120
Rents receivable	26	24
Government grants receivable	675	6,172
	<u>877</u>	<u>6,316</u>

Government grants relate to income received under the Coronavirus Job Retention Scheme.

**5. Operating profit**

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

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Depreciation of owned tangible fixed assets	1,984	1,450
Depreciation of leased tangible fixed assets	2,067	2,085
Difference on foreign exchange	(8)	(113)
Operating lease rentals - plant and machinery	231	265
Operating lease rentals - land and buildings	2,176	2,653
Loss/(profit) on disposal of tangible fixed assets	4	(15)

**6. Auditor's remuneration**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>52</u>	<u>44</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**7. People**

People costs, including directors, were as follows:

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
People costs	35,053	33,088
Social security costs	3,139	2,956
Cost of defined contribution scheme	1,808	1,464
	<u>40,000</u>	<u>37,508</u>

The average monthly number of people in the business, including the directors, during the year was as follows:

	1 May 2022 No.	2 May 2021 No.
Distribution, sales and administrative	391	369
Production	619	679
	<u>1,010</u>	<u>1,048</u>

**8. Directors' remuneration**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Directors' emoluments	325	263

The highest paid director received remuneration of £156,000 (2021: £106,000).

**9. Interest and similar expenses**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Bank interest payable	163	164
Finance leases and hire purchase contracts	420	370
	<u>583</u>	<u>534</u>

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**10. Taxation**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	657	649
Adjustments in respect of previous periods	40	21
<b>Total current tax</b>	<u>697</u>	<u>670</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	70	(161)
Changes to tax rates	(72)	-
Adjustments in respect of previous periods	(1)	-
<b>Total deferred tax</b>	<u>(3)</u>	<u>(161)</u>
<b>Taxation on profit</b>	<u>694</u>	<u>509</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
Profit before tax	<u>3,973</u>	<u>2,595</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	755	493
<b>Effects of:</b>		
Expenses not deductible for tax purposes	29	10
Fixed asset differences	(31)	7
Income not taxable	-	(23)
Adjustments in respect of previous periods - current tax	40	21
Adjustments in respect of previous periods - deferred tax	(1)	-
Remeasurement of deferred tax for changes in tax rates	(56)	-
Deferred tax not recognised	(9)	1
Research & development expenditure credits	(33)	-
<b>Total tax charge for the year</b>	<u>694</u>	<u>509</u>

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**10. Taxation (continued)**

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. 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, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 1 May 2022 is 25% and deferred tax has been re-measured at this date. At the recent budget on 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate would not increase to a maximum of 25% however this has not been enacted as at year end.

**11. Dividends**

	Year ended 1 May 2022 £000	Year ended 2 May 2021 £000
<b>Ordinary</b>		
Dividends paid to holding company	3,200	-

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**12. Tangible fixed assets**

	Plant and machinery £000	Furniture, fittings, equipment and motor vehicles £000	Assets in the course of construction £000	Total £000
<b>Cost</b>				
At 3 May 2021	28,358	11,343	454	40,155
Additions	576	969	667	2,212
Disposals	(281)	(298)	(300)	(879)
Transfers between classes	109	44	(153)	-
At 1 May 2022	<u>28,762</u>	<u>12,058</u>	<u>668</u>	<u>41,488</u>
<b>Depreciation</b>				
At 3 May 2021	19,920	8,739	-	28,659
Charge for the year	3,027	1,024	-	4,051
Disposals	(256)	(256)	-	(512)
At 1 May 2022	<u>22,691</u>	<u>9,507</u>	<u>-</u>	<u>32,198</u>
<b>Net book value</b>				
At 1 May 2022	<u>6,071</u>	<u>2,551</u>	<u>668</u>	<u>9,290</u>
At 2 May 2021	<u>8,438</u>	<u>2,604</u>	<u>454</u>	<u>11,496</u>

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

	1 May 2022 £000	2 May 2021 £000
Plant, machinery, furniture and fittings	<u>6,706</u>	<u>7,543</u>

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**13. Fixed asset investments**

	<b>Listed and subsidiary investments £000</b>
<b>Valuation</b>	
At 3 May 2021 and 1 May 2022	<u>20</u>
<b>Net book value</b>	
At 3 May 2021 and 1 May 2022	<u><u>20</u></u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Linney Design Limited	Dormant	Ordinary	100%
Linney Group Limited	Dormant	Ordinary	100%
Quadrant Offset Limited	Dormant	Ordinary	100%
Linney Print Limited	Dormant	Ordinary	100%
Linney Direct Limited	Dormant	Ordinary	100%
Linney Make Limited	Dormant	Ordinary	100%
Linney Create Limited	Dormant	Ordinary	100%
Linney Activate Limited	Dormant	Ordinary	100%
Linney Evaluate Limited	Dormant	Ordinary	100%

The above companies share the same registered offices as W & J Linney Limited which is displayed on the company information page.

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**14. Stocks and work in progress**

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Raw materials	2,208	1,572
Work in progress	-	2,221
Finished goods and goods for resale	1,427	1,292
	<u>3,635</u>	<u>5,085</u>

**15. Debtors**

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Trade debtors	18,155	13,690
Amounts owed by group undertakings	5,729	5,231
Other debtors	566	1,359
Prepayments and accrued income	1,516	638
Amounts recoverable on contracts	6,896	2,556
	<u>32,862</u>	<u>23,474</u>

An impairment credit of £17,000 (2021: impairment charge £49,000) was recognised in administrative expenses against trade debtors during the year.

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

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

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Bank overdrafts	-	5,779
Other short term banking facilities	6,069	6,057
Trade creditors	11,341	5,415
Corporation tax	264	323
Other taxation and social security	2,065	3,256
Net obligations under finance lease and hire purchase contracts	2,713	3,136
Other creditors	1,997	1,044
Accruals and deferred income	7,578	5,913
	<u><u>32,027</u></u>	<u><u>30,923</u></u>

Other short term banking facilities are secured by first legal charge over certain freehold land and property held by the parent company, a charge over the book debts of the company and a charge over contract monies.

Amounts of £13,676,000 (2021: £10,848,000) included in trade debtors provide security for other short term banking facilities, of which £6,069,000 was in use at the year end.

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Net obligations under finance leases and hire purchase contracts	<u><u>4,797</u></u>	<u><u>6,853</u></u>

**18. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Within one year	2,713	3,136
Between 1-5 years	4,781	6,756
Over 5 years	16	97
	<u><u>7,510</u></u>	<u><u>9,989</u></u>



# W & J LINNEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1<sup>st</sup> MAY 2022

### 19. Deferred taxation

	1 May 2022 £000	2 May 2021 £000
At the beginning of the year	231	70
Credited to the profit and loss account	3	161
At the end of the year	<u>234</u>	<u>231</u>

The deferred tax asset is made up as follows:

	1 May 2022 £000	2 May 2021 £000
Accelerated capital allowances	(107)	(12)
Short term timing differences	341	243
	<u>234</u>	<u>231</u>

### 20. Share capital

	1 May 2022 £000	2 May 2021 £000
Allotted, called up and fully paid 186,000 Ordinary shares of £1 each	<u>186</u>	<u>186</u>

### 21. Reserves

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

#### Profit and loss account

Represents all current and prior period accumulated profits and losses less dividends paid:

### 22. Pension commitments

The company contributes to two defined contribution pension schemes the costs of which are charged to the profit and loss account in the period in which they are incurred, and amounted to £1,808,000 (2021: £1,464,000).

**W & J LINNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 MAY 2022**

**23. Commitments under operating leases**

At 1 May 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>1 May 2022 £000</b>	<b>2 May 2021 £000</b>
Not later than 1 year	2,777	2,919
Later than 1 year and not later than 5 years	5,014	8,519
	<u>7,791</u>	<u>11,438</u>

Included in operating lease commitments above is £7,536,000 (2021: £10,912,000) which is payable to the parent company in relation to property.

**24. Ultimate parent undertaking and controlling party**

The parent company is WJL Group Limited which is incorporated in Great Britain and registered in England and Wales. The parent company is jointly controlled by N S Linney, M J H Linney and C H C Linney by virtue of their shareholdings and their role as trustees of discretionary trusts.

The largest and smallest group which consolidates the company's accounts is WJL Group Limited, copies of which are available from Companies House, Cardiff, CF14 3UZ.