

Registered number
00877451

J.C. Atkinson and Son Limited
Report and Financial Statements
31 July 2020



J.C. Atkinson and Son Limited
Report and accounts
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J.C. Atkinson and Son Limited

Company Information

Directors

J M Atkinson

P J Barrand (appointed 27 July 2020)

M Hoffman (appointed 27 July 2020)

M B Walsh (appointed 27 July 2020)

Auditors

Bell Anderson Limited

Lindum

264-266 Durham Road

Gateshead

Tyne & Wear

NE8 4JR

Registered office

Unit 1, Sedling Road

Wear Industrial Estate (East)

Washington

Tyne & Wear

NE38 9BZ

Registered number

00877451

J.C. Atkinson and Son Limited

Registered number: 00877451

Directors' Report

The directors present their report and financial statements for the year ended 31 July 2020.

Principal activities

The company's principal activity during the year continued to be the manufacture and wholesale distribution of coffins.

Future developments

Following the acquisition of the company by Newable Atkinson Limited the directors believe the company is in a position to consolidate the growth and continue to invest when considered

Dividends

Interim dividends per share were paid as follows:

Ordinary B shares £1 shares £130,009 (2019 - £120,004)

Ordinary D shares £1 shares £10,000 (2019 - £10,000)

Ordinary E Shares £1 shares £10,000 (2019 - £10,000)

Directors

The following persons served as directors during the year:

J M Atkinson

P J Barrand (appointed 27 July 2020)

M Hoffman (appointed 27 July 2020)

M B Walsh (appointed 27 July 2020)

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

J.C. Atkinson and Son Limited**Registered number:** 00877451**Directors' Report****Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

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

Acquisition of own shares

The company bought back the D Ordinary and E Ordinary Shares in the period. The details of the shares purchased are as follows:

| | |
|-------------------------------|---------------------------|
| Class of share | D Ordinary and E Ordinary |
| Amount paid | £2 |
| Nominal value of shares | £2 |
| Number of shares | 2 |
| Percentage of class purchased | 100.0% |

This report was approved by the board on 19 April 2021 and signed on its behalf.

J M Atkinson
Director



J.C. Atkinson and Son Limited

Strategic Report

Review of business

Key financial and other indicators between this financial year and last year are as follows:

| | 2020 | 2019 |
|---------------------|-------------|-------------|
| Turnover | 14,969,860 | 12,244,680 |
| Gross profit | 6,001,370 | 4,622,963 |
| Operating profit | 1,661,653 | 1,005,791 |
| Shareholders' funds | 5,132,804 | 3,984,610 |

Principal risks and uncertainties

As with any business, the company faces a variety of risks and uncertainties in the normal course of its activities, but it aims to minimise any possible adverse effects on operations through the effective implementation of risk management procedures. These procedures seek to identify any potential risk to the company's business activities and on an on-going basis monitor such risk and the possible impact on the company's well-being.

The principal risks and uncertainties that the company faces and which management believes could have a material and adverse impact on operations include the following:

Market risks

The market in which the company operates continues to be highly competitive. Raw material and operational costs are increasing and it is not always possible to pass these increases on to customers. Furthermore, availability of product may also vary and inconsistent throughput can impact on profitability and efficiencies. However the company is well placed to mitigate against these risks with full access to quality products at reasonable cost at all times. The company also strives to build and maintain strong relationships with all customers and always to take a longer term view in dealings with them. The directors are very satisfied with the results in the period in respect of increased market share together with an increase in mortality rates in the current financial year. The directors have continued to invest in the company with significant capital investment made in the period to improve production capacity. Following the acquisition of the company by Newable Atkinson Limited the directors believe the company is in a position to consolidate the growth and continue to invest when considered necessary.

Environmental risks

Management have continually sought to manage operation with great consideration to environmental concerns. They have been successful with a number of carbon initiatives and researching and operating biomass technology. The risk remains low, management continue to source all wood and finished products with care using accredited suppliers where possible and we conduct our own controls and audits. Notwithstanding this, contacts and relationships are also continually maintained with possible alternate sources of supply to hand

J.C. Atkinson and Son Limited

Strategic Report

Financial risks

The company extends credit to its customers in the normal course of business and accordingly is exposed to the risks associated with this practice. The company, however, maintains close working relationships with all customers and wherever possible the appropriate key decision makers in order to monitor their ongoing credit worthiness. The company has credit control procedures in place including access to an external credit reference agency.

Interest rate risks

The company has a agreed facilities with the bank for working capital and invoice discounting which carries variable interest 'rates at a fixed margin above prime.

Liquidity risks

The company reduces its liquidity risk by virtue of the availability of its banking facility.

This report was approved by the board on 19 April 2021 and signed on its behalf.

J M Atkinson
Director

A handwritten signature in black ink, appearing to be 'J M Atkinson', with a long horizontal flourish extending to the right.

J.C. Atkinson and Son Limited
Independent auditor's report
to the members of J.C. Atkinson and Son Limited

Opinion

We have audited the financial statements of J.C. Atkinson and Son Limited for the year ended 31 July 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the 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 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 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

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

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

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

J.C. Atkinson and Son Limited
Independent auditor's report
to the members of J.C. Atkinson and Son Limited

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; or

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

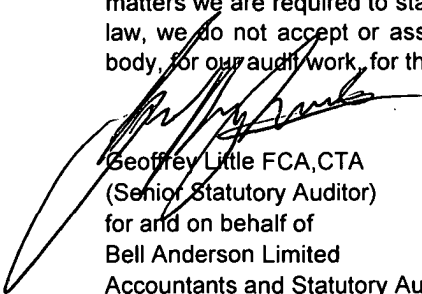
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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.



Geoffrey Little FCA,CTA
(Senior Statutory Auditor)
for and on behalf of
Bell Anderson Limited
Accountants and Statutory Auditors
19 April 2021

Lindum
264-266 Durham Road
Gateshead
Tyne & Wear
NE8 4JR

J.C. Atkinson and Son Limited
Income Statement
for the year ended 31 July 2020

| | Notes | 2020 £ | 2019 £ |
|--|--------------|-------------------|-------------------|
| Turnover | 2 | 14,969,860 | 12,244,680 |
| Cost of sales | | (8,968,490) | (7,621,717) |
| Gross profit | | <u>6,001,370</u> | <u>4,622,963</u> |
| Distribution costs | | (822,669) | (784,048) |
| Administrative expenses | | (3,663,219) | (3,028,881) |
| Other operating income | | 146,171 | 195,757 |
| Operating profit | 3 | <u>1,661,653</u> | <u>1,005,791</u> |
| Interest payable | 6 | (22,244) | (23,210) |
| Profit on ordinary activities before taxation | | <u>1,639,409</u> | <u>982,581</u> |
| Tax on profit on ordinary activities | 7 | (341,116) | 19,713 |
| Profit for the financial year | | <u>1,298,293</u> | <u>1,002,294</u> |

J.C. Atkinson and Son Limited
Statement of Financial Position
as at 31 July 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 2,065,622 | 2,387,279 |
| Current assets | | | |
| Stocks | 9 | 1,392,492 | 1,529,387 |
| Debtors | 10 | 2,968,007 | 3,614,374 |
| Cash at bank and in hand | | 1,969,807 | 229,595 |
| | | <u>6,330,306</u> | <u>5,373,356</u> |
| Creditors: amounts falling due within one year | 11 | (2,970,412) | (3,309,349) |
| Net current assets | | <u>3,359,894</u> | <u>2,064,007</u> |
| Total assets less current liabilities | | <u>5,425,516</u> | <u>4,451,286</u> |
| Creditors: amounts falling due after more than one year | 12 | (8,937) | (199,527) |
| Provisions for liabilities | | | |
| Deferred taxation | 14 | (283,775) | (267,149) |
| Net assets | | <u>5,132,804</u> | <u>3,984,610</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 29,232 | 29,234 |
| Share premium | 16 | 298 | 298 |
| Capital redemption reserve | 24 | 9,544 | 9,542 |
| Other reserves | 17 | 51,000 | 51,000 |
| Profit and loss account | 18 | 5,042,730 | 3,894,536 |
| Total equity | | <u>5,132,804</u> | <u>3,984,610</u> |

J M Atkinson
Director
Approved by the board on 19 April 2021



J.C. Atkinson and Son Limited
Statement of Changes in Equity
for the year ended 31 July 2020

| | Share capital | Share premium | Other reserves | Profit and loss account | Total |
|---|------------------|------------------|-------------------|-------------------------------|------------------|
| | £ | £ | £ | £ | £ |
| At 1 August 2018 | 29,232 | - | 60,542 | 3,032,246 | 3,122,020 |
| Profit for the financial year | | | | 1,002,294 | 1,002,294 |
| Dividends | | | | (140,004) | (140,004) |
| Shares issued | 2 | 298 | | | 300 |
| At 31 July 2019 | <u>29,234</u> | <u>298</u> | <u>60,542</u> | <u>3,894,536</u> | <u>3,984,610</u> |
| At 1 August 2019 | 29,234 | 298 | 60,542 | 3,894,536 | 3,984,610 |
| Profit for the financial year | | | | 1,298,293 | 1,298,293 |
| Shares redeemed | -2 | | 2 | - | |
| Other comprehensive income for the financial year | (2) | - | 2 | - | - |
| Total comprehensive income for the financial year | <u>(2)</u> | <u>-</u> | <u>2</u> | <u>1,298,293</u> | <u>1,298,293</u> |
| Dividends | | | | (150,099) | (150,099) |
| At 31 July 2020 | <u>29,232</u> | <u>298</u> | <u>60,544</u> | <u>5,042,730</u> | <u>5,132,804</u> |

J.C. Atkinson and Son Limited
Statement of Cash Flows
for the year ended 31 July 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|--------------------|------------------|
| Operating activities | | | |
| Profit for the financial year | | 1,298,293 | 1,002,294 |
| Adjustments for: | | | |
| Interest payable | | 22,244 | 23,210 |
| Tax on profit on ordinary activities | | 341,116 | (19,713) |
| Depreciation | | 480,824 | 364,978 |
| Decrease/(increase) in stocks | | 136,895 | (531,935) |
| Decrease/(increase) in debtors | | 646,367 | (522,198) |
| Increase/(decrease) in creditors | | 699,842 | (433,630) |
| | | <u>3,625,581</u> | <u>(116,994)</u> |
| Interest paid | | (9,258) | (7,636) |
| Interest element of finance lease payments | | (12,986) | (15,574) |
| Corporation tax paid | | 12,833 | 58,982 |
| | | <u>3,616,170</u> | <u>(81,222)</u> |
| Cash generated by/(used in) operating activities | | | |
| Investing activities | | | |
| Payments to acquire tangible fixed assets | | (166,530) | (641,529) |
| Proceeds from sale of tangible fixed assets | | 7,363 | - |
| | | <u>(159,167)</u> | <u>(641,529)</u> |
| Cash used in investing activities | | | |
| Financing activities | | | |
| Equity dividends paid | | (150,099) | (140,004) |
| Proceeds from the issue of shares | | - | 300 |
| Payments to redeem shares | | (2) | - |
| Proceeds from new loans | | - | 431,000 |
| Repayment of loans | | (1,298,029) | 708,919 |
| Capital element of finance lease payments | | (268,661) | (249,754) |
| | | <u>(1,716,791)</u> | <u>750,461</u> |
| Cash (used in)/generated by financing activities | | | |
| Net cash generated | | | |
| Cash generated by/(used in) operating activities | | 3,616,170 | (81,222) |
| Cash used in investing activities | | (159,167) | (641,529) |
| Cash (used in)/generated by financing activities | | (1,716,791) | 750,461 |
| | | <u>1,740,212</u> | <u>27,710</u> |
| Net cash generated | | | |
| Cash and cash equivalents at 1 August | | 229,595 | 201,885 |
| Cash and cash equivalents at 31 July | | <u>1,969,807</u> | <u>229,595</u> |
| Cash and cash equivalents comprise: | | | |
| Cash at bank | | <u>1,969,807</u> | <u>229,595</u> |

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---------------------|------------------------------|
| Long leasehold | 10% on cost |
| Plant and machinery | 25% and 10% reducing balance |
| Motor vehicles | 20% on cost |

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Research and development

Research and development expenditure is charged to the income statement in the period in which it is incurred.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

| | | |
|--|-------------------|-------------------|
| 2 Analysis of turnover | 2020 | 2019 |
| | £ | £ |
| Sale of goods | <u>14,969,860</u> | <u>12,244,680</u> |
| By geographical market: | | |
| UK | <u>14,969,860</u> | <u>12,244,680</u> |
| 3 Operating profit | 2020 | 2019 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation of owned fixed assets | 464,372 | 215,074 |
| Depreciation of assets held under finance leases and hire purchase contracts | 16,452 | 53,517 |
| Operating lease rentals - plant and machinery | 299,421 | 312,117 |
| Auditors' remuneration for audit services | 8,200 | 7,800 |
| Carrying amount of stock sold | <u>6,671,978</u> | <u>5,422,105</u> |
| 4 Directors' emoluments | 2020 | 2019 |
| | £ | £ |
| Emoluments | 11,969 | 4,334 |
| Company contributions to defined contribution pension plans | <u>8,623</u> | <u>8,623</u> |
| | <u>20,592</u> | <u>12,957</u> |
| Number of directors to whom retirement benefits accrued: | 2020 | 2019 |
| | Number | Number |
| Defined contribution plans | <u>1</u> | <u>1</u> |
| 5 Staff costs | 2020 | 2019 |
| | £ | £ |
| Wages and salaries | 1,308,113 | 1,157,582 |
| Social security costs | 170,165 | 242,918 |
| Other pension costs | <u>31,735</u> | <u>17,377</u> |
| | <u>1,510,013</u> | <u>1,417,877</u> |
| Average number of employees during the year | Number | Number |
| Administration | 12 | 12 |
| Manufacturing | 126 | 110 |
| Marketing | <u>8</u> | <u>8</u> |
| | <u>146</u> | <u>130</u> |

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

| 6 Interest payable | 2020 | 2019 |
|--|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 9,258 | 7,636 |
| Finance charges payable under finance leases and hire purchase contracts | 12,986 | 15,574 |
| | <u>22,244</u> | <u>23,210</u> |

| 7 Taxation | 2020 | 2019 |
|--|----------------|-----------------|
| | £ | £ |
| Analysis of charge in period | | |
| Current tax: | | |
| UK corporation tax on profits of the period | 308,435 | (69,117) |
| Adjustments in respect of previous periods | 16,055 | - |
| | <u>324,490</u> | <u>(69,117)</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 16,626 | 49,404 |
| | <u>341,116</u> | <u>(19,713)</u> |
| Tax on profit/(loss) on ordinary activities | | |

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | 2020 | 2019 |
|--|------------------|-----------------|
| | £ | £ |
| Profit on ordinary activities before tax | <u>1,639,409</u> | <u>982,581</u> |
| Standard rate of corporation tax in the UK | 20% | 20% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 327,882 | 196,516 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (19,447) | (265,633) |
| Adjustments to tax charge in respect of previous periods | 16,055 | - |
| Current tax charge for period | <u>324,490</u> | <u>(69,117)</u> |

Factors that may affect future tax charges

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

8 Tangible fixed assets

| | Land and buildings | Plant and machinery | Motor vehicles | Total |
|--------------------------|-------------------------------|--------------------------------|---------------------------|------------------|
| | <i>At cost</i> | <i>At cost</i> | <i>At cost</i> | |
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 August 2019 | 413,350 | 3,954,858 | 845,378 | 5,213,586 |
| Additions | - | 131,024 | 35,506 | 166,530 |
| Disposals | - | - | (67,588) | (67,588) |
| At 31 July 2020 | <u>413,350</u> | <u>4,085,882</u> | <u>813,296</u> | <u>5,312,528</u> |
| Depreciation | | | | |
| At 1 August 2019 | 163,227 | 2,112,610 | 550,470 | 2,826,307 |
| Charge for the year | 79,688 | 294,327 | 106,809 | 480,824 |
| On disposals | - | - | (60,225) | (60,225) |
| At 31 July 2020 | <u>242,915</u> | <u>2,406,937</u> | <u>597,054</u> | <u>3,246,906</u> |
| Carrying amount | | | | |
| At 31 July 2020 | <u>170,435</u> | <u>1,678,945</u> | <u>216,242</u> | <u>2,065,622</u> |
| At 31 July 2019 | <u>250,123</u> | <u>1,842,248</u> | <u>294,908</u> | <u>2,387,279</u> |

| | 2020 | 2019 |
|---|---------------|----------------|
| | £ | £ |
| Carrying value of plant and machinery included above held under finance leases and hire purchase contracts | <u>72,665</u> | <u>530,113</u> |

9 Stocks

| | 2020 | 2019 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Raw materials and consumables | 431,731 | 356,619 |
| Work in progress | - | 2,356 |
| Finished goods and goods for resale | 960,761 | 1,170,412 |
| | <u>1,392,492</u> | <u>1,529,387</u> |

10 Debtors

| | 2020 | 2019 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 2,706,504 | 2,586,176 |
| Other debtors | 25,094 | 883,548 |
| Prepayments and accrued income | 236,409 | 144,650 |
| | <u>2,968,007</u> | <u>3,614,374</u> |

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

| | | |
|---|------------------|------------------|
| 11 Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Bank loans | - | 1,298,029 |
| Obligations under finance lease and hire purchase contracts | 34,455 | 112,526 |
| Trade creditors | 1,421,920 | 1,050,471 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 330,000 | - |
| Corporation tax | 337,323 | - |
| Other taxes and social security costs | 404,053 | 320,194 |
| Other creditors | 206,681 | 350,718 |
| Accruals and deferred income | 235,980 | 177,411 |
| | <u>2,970,412</u> | <u>3,309,349</u> |
| 12 Creditors: amounts falling due after one year | 2020 | 2019 |
| | £ | £ |
| Obligations under finance lease and hire purchase contracts | <u>8,937</u> | <u>199,527</u> |
| 13 Obligations under finance leases and hire purchase contracts | 2020 | 2019 |
| | £ | £ |
| Amounts payable: | | |
| Within one year | 34,455 | 112,526 |
| Within two to five years | 8,937 | 199,527 |
| | <u>43,392</u> | <u>312,053</u> |
| 14 Deferred taxation | 2020 | 2019 |
| | £ | £ |
| Accelerated capital allowances | <u>283,775</u> | <u>267,149</u> |
| | 2020 | 2019 |
| | £ | £ |
| At 1 August | 267,149 | 217,745 |
| Charged to the profit and loss account | 16,626 | 49,404 |
| At 31 July | <u>283,775</u> | <u>267,149</u> |

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

| 15 Share capital | Nominal value | 2020 Number | 2020 £ | 2019 £ |
|--|----------------------|--------------------|------------------|------------------|
| Allotted, called up and fully paid: | | | | |
| Ordinary shares | £1 each | 29,232 | 29,232 | 29,232 |
| D Ordinary Shares | £1 each | - | - | 1 |
| E Ordinary Shares | £1 each | - | - | 1 |
| | | | <u>29,232</u> | <u>29,234</u> |
| 16 Share premium | | | 2020 £ | 2019 £ |
| At 1 August | | | 298 | - |
| Shares issued | | | - | 298 |
| At 31 July | | | <u>298</u> | <u>298</u> |
| 17 Other reserves | | | 2020 £ | 2019 £ |
| Revaluation reserve | | | | |
| At 1 August | | | 51,000 | 51,000 |
| At 31 July | | | <u>51,000</u> | <u>51,000</u> |
| Capital redemption reserve | | | | |
| At 1 August | | | 9,542 | 9,542 |
| Shares redeemed | | | 2 | - |
| Gain on revaluation of land and buildings | | | - | - |
| Deferred taxation arising on the revaluation of land and buildings | | | - | - |
| At 31 July | | | <u>9,544</u> | <u>9,542</u> |
| 18 Profit and loss account | | | 2020 £ | 2019 £ |
| At 1 August | | | 3,894,536 | 3,032,246 |
| Profit for the financial year | | | 1,298,293 | 1,002,294 |
| Dividends | | | (150,099) | (140,004) |
| At 31 July | | | <u>5,042,730</u> | <u>3,894,536</u> |
| 19 Dividends | | | 2020 £ | 2019 £ |
| Dividends on ordinary shares (note 18) | | | <u>150,099</u> | <u>-</u> |

J.C. Atkinson and Son Limited
Notes to the Accounts
for the year ended 31 July 2020

20 Other financial commitments

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

| | Land and buildings 2020 £ | Land and buildings 2019 £ | Other 2020 £ | Other 2019 £ |
|--------------------|--|--|-----------------------------|-----------------------------|
| Falling due: | | | | |
| within one year | - | 297,600 | - | - |
| in over five years | 2,115,740 | - | - | - |
| | <u>2,115,740</u> | <u>297,600</u> | <u>-</u> | <u>-</u> |

21 Controlling party

The immediate controlling party is Newable Atkinson Limited, a company incorporated in England & Wales. The ultimate controlling party is Newable Limited, a company incorporated in England & Wales.

22 Presentation currency

The financial statements are presented in Sterling.

23 Legal form of entity and country of incorporation

J.C. Atkinson and Son Limited is a private company limited by shares and incorporated in England.

24 Principal place of business

The address of the company's principal place of business and registered office is:

Unit 1, Sedling Road
Wear Industrial Estate (East)
Washington
Tyne & Wear
NE38 9BZ