

Company Registration No. 00879192 (England and Wales)

ADAM JONES & SONS (BLACKHEATH) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

PAGES FOR FILING WITH REGISTRAR

ADAM JONES & SONS (BLACKHEATH) LIMITED

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ADAM JONES & SONS (BLACKHEATH) LIMITED**BALANCE SHEET****AS AT 31 JULY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		1,769,273		1,326,676
Current assets					
Stocks		19,077		20,643	
Debtors	4	4,182,697		3,046,495	
Cash at bank and in hand		199,271		62,757	
		<u>4,401,045</u>		<u>3,129,895</u>	
Creditors: amounts falling due within one year	5	<u>(2,841,356)</u>		<u>(1,787,104)</u>	
Net current assets			<u>1,559,689</u>		<u>1,342,791</u>
Total assets less current liabilities			<u>3,328,962</u>		<u>2,669,467</u>
Creditors: amounts falling due after more than one year	6		<u>(1,401,118)</u>		<u>(774,707)</u>
Provisions for liabilities			<u>(268,569)</u>		<u>(243,220)</u>
Net assets			<u><u>1,659,275</u></u>		<u><u>1,651,540</u></u>
Capital and reserves					
Called up share capital	7		3,000		3,000
Profit and loss reserves			<u>1,656,275</u>		<u>1,648,540</u>
Total equity			<u><u>1,659,275</u></u>		<u><u>1,651,540</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 May 2021 and are signed on its behalf by:

Mr G T Darnell
Director

Company Registration No. 00879192

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Adam Jones & Sons (Blackheath) Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/o Kenyon Road Haulage Limited, Thornley Avenue, Blackburn, BB1 3HJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Going concern

The outbreak of the Covid-19 virus in early 2020 is having a significant impact on a large number of business. However the directors believe that the company is well placed to minimise the impact.

Management are continuously assessing the impact of the coronavirus on clients, suppliers and employees. Regular contact is taking place throughout the supply chain to minimise any disruption. The company has organised itself to adjust its activities, working capital and costs in line with the actual business level in order to protect its cash flow. Actions have been taken in the past to enable the business to establish a strong financial platform, and this together with the current balance sheet strength positions the company well.

The company is part of a group which has strong liquidity, considerable headroom in its covenants and is very strongly capitalised by its shareholders enabling the group to support the company for at least the next 12 months if required. Working capital is closely monitored, especially to protect timely collection of debtors.

After considering the impact of the above, at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. The following criteria must also be met before revenue is recognised:

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Revenue 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 revenue 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

1.4 Tangible fixed assets

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

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

Plant and equipment	10% straight line
Fixtures and fittings	20% straight line
Commercial vehicles and trailers	20% reducing balance

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

1.5 Impairment of fixed assets

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

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

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

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

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and invoice discounting facilities, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

Deferred tax

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

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

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.14 Government grants

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

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

1.15 Foreign exchange

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

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

2 Employees

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

	2020 Number	2019 Number
Total	96	75

3 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Commercial vehicles and trailers £	Total £
Cost				
At 1 August 2019	97,266	36,732	2,838,336	2,972,334
Additions	-	33,093	954,204	987,297
Disposals	-	-	(688,907)	(688,907)
At 31 July 2020	97,266	69,825	3,103,633	3,270,724
Depreciation and impairment				
At 1 August 2019	38,087	11,080	1,596,491	1,645,658
Depreciation charged in the year	7,332	9,983	368,630	385,945
Eliminated in respect of disposals	-	-	(530,152)	(530,152)
At 31 July 2020	45,419	21,063	1,434,969	1,501,451
Carrying amount				
At 31 July 2020	51,847	48,762	1,668,664	1,769,273
At 31 July 2019	59,179	25,652	1,241,845	1,326,676

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,616,467	841,349
Corporation tax recoverable	29,814	29,814
Amounts owed by group undertakings	2,210,329	2,072,899
Other debtors	326,087	102,433
	4,182,697	3,046,495

ADAM JONES & SONS (BLACKHEATH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 JULY 2020****5 Creditors: amounts falling due within one year**

	2020 £	2019 £
Bank loans and overdrafts	1,375,668	710,637
Trade creditors	298,117	390,311
Amounts owed to group undertakings	46,490	105,223
Taxation and social security	430,840	119,888
Other creditors	690,241	461,045
	<u>2,841,356</u>	<u>1,787,104</u>

The bank overdrafts are secured by a fixed and floating charge over all present and future assets of the company. Other creditors includes hire purchase liabilities of £460,740 (2019: £310,763) secured on the assets they relate to.

6 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	241,667	-
Other creditors	1,159,451	774,707
	<u>1,401,118</u>	<u>774,707</u>

Other creditors includes hire purchase liabilities of £1,159,451 (2019: £774,707) secured on the assets they relate to.

7 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	3,000	3,000	3,000	3,000

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Damian Walmsley.
The auditor was MHA Moore and Smalley.

ADAM JONES & SONS (BLACKHEATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

9 Operating lease commitments

Lessee

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

2020	2019
£	£
935,897	138,503
<u> </u>	<u> </u>

10 Parent company

The parent company is Adam Jones Group Limited and the ultimate parent company is OTIF Holdings Limited, both of which are registered in England and Wales. The consolidated financial statements of OTIF Holdings Limited, which incorporates the accounts of this company, are prepared in accordance with Financial Reporting Standards and copies of the financial statements of both companies can be obtained from C/O Kenyon Road Haulage Ltd, Thornley Avenue, Blackburn, United Kingdom, BB1 3HJ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.