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Company registration number NI008644 (Northern Ireland)

JOHN TINNELLY & SONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022
PAGES FOR FILING WITH REGISTRAR

JOHN TINNELLY & SONS LIMITED

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JOHN TINNELLY & SONS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2022

| | Notes | 2022 | | 2021 | |
|--|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 3 | | 72,199 | | - |
| Tangible assets | 4 | | 2,557,253 | | 2,499,155 |
| Investment properties | 5 | | 850,000 | | 850,000 |
| | | | <u>3,479,452</u> | | <u>3,349,155</u> |
| Current assets | | | | | |
| Stocks | | 446,253 | | 404,541 | |
| Debtors | 6 | 676,105 | | 1,181,844 | |
| Cash at bank and in hand | | 35,292 | | 184,360 | |
| | | <u>1,157,650</u> | | <u>1,770,745</u> | |
| Creditors: amounts falling due within one year | 7 | (1,632,425) | | (1,115,780) | |
| Net current (liabilities)/assets | | | <u>(474,775)</u> | | <u>654,965</u> |
| Total assets less current liabilities | | | 3,004,677 | | 4,004,120 |
| Creditors: amounts falling due after more than one year | 8 | | (475,827) | | (610,628) |
| Provisions for liabilities | | | <u>(309,891)</u> | | <u>(294,819)</u> |
| Net assets | | | <u>2,218,959</u> | | <u>3,098,673</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 30,000 | | 30,000 |
| Revaluation reserve | 9 | | 1,500 | | 1,500 |
| Capital redemption reserve | | | 30,000 | | 30,000 |
| Profit and loss reserves | | | 2,157,459 | | 3,037,173 |
| Total equity | | | <u>2,218,959</u> | | <u>3,098,673</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.

JOHN TINNELLY & SONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2022

The financial statements were approved by the board of directors and authorised for issue on 8 August 2022 and are signed on its behalf by:


Mrs Roisin Franklin
Director


Mrs Joanne Campbell
Director

Company Registration No. NI008644

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Company information

John Tinnelly & Sons Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Cloughoge House, 46 Forkhill Road, Newry, Co. Down, Northern Ireland, BT35 8LZ.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

The company made a profit before tax of £104k (2021: £173k) during the year ended 31 January 2022, and had net assets of £2.2m (2021: £3.1m) as at the balance sheet date. Despite a net current liability position as at 31 January 2022, the directors are confident of the future trading potential of the company. The Directors have performed an assessment, including a review of the company's budget for the 2023 financial year, taking into account Covid-19 considerations, current price hikes and its longer term plans, including consideration of the principal risks faced by the company and the wider group. The Board is satisfied that the company is able to continue to operate. As a result, 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 or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Other income relates to hire of equipment income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies (Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|-----|-------------------|
| R&D | 20% Straight Line |
|-----|-------------------|

1.5 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:

| | |
|-----------------------------|-------------------------|
| Freehold land and buildings | 2% Straight Line |
| Plant and equipment | 10% Straight Line |
| Fixtures and fittings | 10% & 25% Straight Line |
| Motor vans and lorries | 25% Straight Line |

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.

The land element of £235,050 included within Land and Buildings freehold is not depreciated.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 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.

1.10 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.11 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.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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

1.16 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.

1.17 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.

2 Employees

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

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | 39 | 36 |

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

3 Intangible fixed assets

| | R&D £ |
|------------------------------------|---------------|
| Cost | |
| At 1 February 2021 | - |
| Additions | 84,940 |
| At 31 January 2022 | <u>84,940</u> |
| Amortisation and impairment | |
| At 1 February 2021 | - |
| Amortisation charged for the year | 12,741 |
| At 31 January 2022 | <u>12,741</u> |
| Carrying amount | |
| At 31 January 2022 | <u>72,199</u> |
| At 31 January 2021 | <u>-</u> |

4 Tangible fixed assets

| | Land and buildings £ | Plant and machinery etc £ | Motor vans and lorries £ | Total £ |
|------------------------------------|----------------------------|------------------------------------|--------------------------------|------------------|
| Cost or valuation | | | | |
| At 1 February 2021 | 253,981 | 7,290,227 | 1,204,095 | 8,748,303 |
| Additions | 157,935 | 355,076 | 64,683 | 577,694 |
| Disposals | - | (121,833) | (53,000) | (174,833) |
| At 31 January 2022 | <u>411,916</u> | <u>7,523,470</u> | <u>1,215,778</u> | <u>9,151,164</u> |
| Depreciation and impairment | | | | |
| At 1 February 2021 | 6,757 | 5,363,628 | 878,763 | 6,249,148 |
| Depreciation charged in the year | 262 | 337,712 | 160,375 | 498,349 |
| Eliminated in respect of disposals | - | (110,794) | (42,792) | (153,586) |
| At 31 January 2022 | <u>7,019</u> | <u>5,590,546</u> | <u>996,346</u> | <u>6,593,911</u> |
| Carrying amount | | | | |
| At 31 January 2022 | <u>404,897</u> | <u>1,932,924</u> | <u>219,432</u> | <u>2,557,253</u> |
| At 31 January 2021 | <u>247,224</u> | <u>1,926,599</u> | <u>325,332</u> | <u>2,499,155</u> |

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

4 Tangible fixed assets

(Continued)

Land with a carrying amount of £112,000 was revalued at 30 July 2020 by T & J Gavigan, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties and it is believed that the value provided reflects the value as at the balance sheet date. This resulted in a Revaluation Reserve of £1,500 in the year ended 31 January 2020.

The director's confirm that the above value would still represent market value at 31 January 2022.

The revaluation surplus is disclosed in note 9.

If Revalued assets were stated on a historical costs basis rather than a fair value basis, the total amounts included would have been as follows;

| | 2022 | 2021 |
|------|-------------------|-------------------|
| | £ | £ |
| Cost | 110,500 | 110,500 |
| | <u> </u> | <u> </u> |

5 Investment property

2022

£

Fair value

At 1 February 2021 and 31 January 2022

850,000

Investment properties comprises of two properties held by the company for investment purposes. The fair value of one of the investment properties has been arrived at on the basis of a valuation carried out on 31 July 2020 by Best Property Services Chartered Surveyors, who are not connected with the company and it is believed that the value provided reflects the value as at the balance sheet date.

The fair value of the second investment property has been arrived at on the basis of a valuation carried out on 10 April 2018 by McConnell Chartered Surveyors & Property Consultants, who are not connected with the company and it is believed that the value provided reflects the value as at the balance sheet date.

Both valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The director's confirm that the above value would still represent market value at 31 January 2022.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

6 Debtors

| | 2022 | 2021 |
|--------------------------------------|----------------|------------------|
| Amounts falling due within one year: | £ | £ |
| Trade debtors | 115,126 | 450,912 |
| Amounts owed by group undertakings | 332,653 | 171,427 |
| Other debtors | 228,326 | 559,505 |
| | <u>676,105</u> | <u>1,181,844</u> |

Trade debtors are stated after provisions for impairment of £nil (2021: £454).

Amounts owed by group undertakings are unsecured, with no interest, and are payable on demand.

7 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 174,345 | - |
| Obligations under finance leases | 295,402 | 268,844 |
| Trade creditors | 282,843 | 300,619 |
| Amounts owed to group undertakings | 506,566 | 158,915 |
| Corporation tax | 72 | 5,396 |
| Other taxation and social security | 154,094 | 162,268 |
| Other creditors | 19,522 | 22,266 |
| Accruals and deferred income | 199,581 | 197,472 |
| | <u>1,632,425</u> | <u>1,115,780</u> |

Amounts owed to group undertakings are unsecured, with no interest, and are payable on demand.

The company's borrowings are secured on the assets of the company.

AIB hold a number of charges over the borrowings of the company to include, mortgage debenture charge over the fixed assets and investments, an all monies charge over fixed assets, a mortgage/charge deed over fixed assets, and an all monies legal charge over the fixed assets.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

8 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|-----------------|----------------|----------------|
| | £ | £ |
| Other creditors | 475,827 | 610,628 |
| | <u>475,827</u> | <u>610,628</u> |

9 Revaluation reserve

| | 2022 | 2021 |
|--------------------------------------|--------------|--------------|
| | £ | £ |
| At the beginning and end of the year | 1,500 | 1,500 |
| | <u>1,500</u> | <u>1,500</u> |

10 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 Teresa Campbell and the auditor was FPM Accountants Limited.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, in respect of motor vehicles and fixtures and fittings, which fall due as follows:

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| | 21,664 | 31,372 |
| | <u>21,664</u> | <u>31,372</u> |

12 Capital commitments

As at 31 January 2022, the company had a financial commitment in relation to plant and machinery of £392,102 (2021: £NIL).

13 Related party transactions

Remuneration of key management personnel

No one outside the Board of Directors are considered to be key management,

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

13 Related party transactions

(Continued)

Other information

The company has availed of the exemption not to disclose details of transactions with wholly owned group companies.

14 Directors' transactions

Amounts totaling £52,457 (2021: £243,291) are repayable by the directors of the company and this has been included within debtor amounts falling due within one year. These balances are unsecured, interest free and repayable on demand. The highest balance outstanding during the year was £52,457.

John Tinnelly & Sons Limited rent their premises from the 5 company directors' pension scheme. The rent paid during the year ended 31 January 2022 was £131,300 (2021: £131,300).

15 Parent company

Tinnelly Group Limited, a company incorporated in Northern Ireland, is the 100% parent company of John Tinnelly & Sons Limited.

The Tinnelly family are considered to be the ultimate controlling party of John Tinnelly & Sons Limited.

16 Contingent Liabilities

John Tinnelly & Sons Limited have a number of contract bond facilities with First Trust Bank.

A contingent liability exists to repay grants should certain conditions under which they were awarded, as stated in the Letters of Offer, cease to be met.

The company has received financial assistance from the UK government and HMRC through the various Covid-19 reliefs and supports. There exists a contingent liability to repay all of the financial assistance received under these supports if a default occurs or it is determined that the company was not eligible. The directors do not foresee any default or issues regarding eligibility for supports claimed.

17 Auditor's liability limitation agreement

The directors, on behalf of the company have entered into a Limited Liability Agreement on 27 May 2022, with their auditors. The auditors liability is limited to an amount which is considered fair and reasonable. This has been disclosed in line with company's legislation.