

Company Registration No. NI008644 (Northern Ireland)

JOHN TINNELLY & SONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020
PAGES FOR FILING WITH REGISTRAR

JOHN TINNELLY & SONS LIMITED

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JOHN TINNELLY & SONS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		2,765,763		1,737,392
Investment properties	4		850,000		217,439
			<u>3,615,763</u>		<u>1,954,831</u>
Current assets					
Stocks		182,793		989,778	
Debtors	5	1,265,690		1,589,895	
Cash at bank and in hand		251,441		173,913	
		<u>1,699,924</u>		<u>2,753,586</u>	
Creditors: amounts falling due within one year					
	6	(1,248,860)		(1,076,291)	
Net current assets			451,064		1,677,295
Total assets less current liabilities			<u>4,066,827</u>		<u>3,632,126</u>
Creditors: amounts falling due after more than one year					
	7		(840,560)		(174,148)
Provisions for liabilities			(157,256)		(194,025)
Net assets			<u>3,069,011</u>		<u>3,263,953</u>
Capital and reserves					
Called up share capital			30,000		30,000
Revaluation reserve	8		1,500		-
Capital redemption reserve			30,000		30,000
Profit and loss reserves			3,007,511		3,203,953
Total equity			<u>3,069,011</u>		<u>3,263,953</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 2020

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 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 2020

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 £243k (2019: £218k profit) during the year ended 31 January 2020, and it continued to be in a strong net asset position of £3.1m (2019: £3.3m) as at the balance sheet date. The Directors have performed a detailed assessment, including a review of the company's budget for the 2021 financial year, taking into account Covid-19 considerations, and its longer term plans, including consideration of the principal risks faced by the company and the wider group. Given the utilisation of support provided by the Government and continued group support, 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

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:

Freehold land and buildings	2% Straight Line
Plant and equipment	10% Straight Line
Fixtures and fittings	10% Straight Line
Motor vehicles	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 £110,050 included within Land and Buildings freehold is not depreciated.

1.5 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.

1.6 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

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.

1.7 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 replacement cost and 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.

1.8 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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.9 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.

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.

1.10 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.

1.11 Taxation

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

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 Retirement benefits

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

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.14 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.

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.

1.15 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.

2 Employees

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

	2020	2019
	Number	Number
Total	39	36
	==	==

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Motor vans and lorries	Total
	£	£	£	£
Cost or valuation				
At 1 February 2019	127,481	5,987,107	1,081,271	7,195,859
Additions	-	1,354,325	106,157	1,460,482
Disposals	-	(44,156)	(37,336)	(81,492)
Revaluation	1,500	-	-	1,500
At 31 January 2020	128,981	7,297,276	1,150,092	8,576,349
Depreciation and impairment				
At 1 February 2019	6,273	4,818,394	633,800	5,458,467
Depreciation charged in the year	222	260,990	167,081	428,293
Eliminated in respect of disposals	-	(38,838)	(37,336)	(76,174)
At 31 January 2020	6,495	5,040,546	763,545	5,810,586
Carrying amount				
At 31 January 2020	122,486	2,256,730	386,547	2,765,763
At 31 January 2019	121,208	1,168,713	447,471	1,737,392

Land with a carrying amount of £112,000 were 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.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	110,500	-
Accumulated depreciation	-	-
Carrying value	110,500	-

The revaluation surplus is disclosed in note 8.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Investment property

	2020
	£
Fair value	
At 1 February 2019	217,439
Transfers	700,000
Revaluations	(67,439)
At 31 January 2020	<u>850,000</u>

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 at 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 at 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.

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	94,210	110,266
Amounts owed by group undertakings	690,358	960,855
Other debtors	481,122	418,774
	<u>1,265,690</u>	<u>1,489,895</u>
	<u>2020</u>	<u>2019</u>
Amounts falling due after more than one year:	£	£
Other debtors	-	100,000
	<u>1,265,690</u>	<u>1,589,895</u>

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

5 Debtors (Continued)

Trade debtors are stated after provisions for impairment of £15,765 (2019: £122,382).

Gross amounts owed by contract customers are stated after provisions for impairment of £nil (2019: £12,970).

Amounts due from group companies are unsecured, with no interest, and are payable on demand.

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	368,525	343,027
Trade creditors	298,196	258,230
Amounts owed to group undertakings	159,235	101,000
Corporation tax	8,842	9,236
Other taxation and social security	27,874	53,245
Other creditors	386,188	311,553
	<u>1,248,860</u>	<u>1,076,291</u>
	<u><u>1,248,860</u></u>	<u><u>1,076,291</u></u>

Amounts due to group companies are unsecured, with no interest, and are payable on demand.

The company's borrowings are secured on the assets of the company. For security details please write to the Company Secretary at the registered office.

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	-	109,560
Other creditors	840,560	64,588
	<u>840,560</u>	<u>174,148</u>
	<u><u>840,560</u></u>	<u><u>174,148</u></u>

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

8 Revaluation reserve	2020	2019
	£	£
At the beginning of the year	-	-
Revaluation surplus arising in the year	1,500	-
	<hr/>	<hr/>
At the end of the year	1,500	-
	<hr/> <hr/>	<hr/> <hr/>

9 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.

The auditor was PKF-FPM Accountants Limited.

10 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
£	£
32,294	9,008
<hr/> <hr/>	<hr/> <hr/>

11 Capital commitments

There are no capital commitments requiring disclosure in the Financial Statements for the year ended 31 January 2020 (2019: £ 60,000).

12 Events after the reporting date

After the balance sheet date, the company has seen significant macro-economic uncertainty as a result of the coronavirus (COVID-19) outbreak. The scale and duration of this development remains uncertain and could impact the company's performance.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

13 Related party transactions

Remuneration of key management personnel

	2020	2019
	£	£
Aggregate compensation	114,048	135,243
	<u>114,048</u>	<u>135,243</u>

Key management includes the Board of Directors (executive and non-executive), all members of the Company Management and the Company Secretary,

Other information

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

14 Directors' transactions

We confirm that amounts totaling £60,210 (2019: £68,817) are repayable to the directors at the balance sheet date and these have been included within current liabilities. We confirm that these amounts are unsecured, with no interest, and are payable on demand.

We confirm that amounts totaling £100,000 (2019: £100,000) are repayable by a director and connected party of the company and this has been included within debtor amounts falling due within one year.

John Tinnelly & Sons Limited rent their premises from the 6 company directors' pension scheme. The rent paid during the year ended 31 January 2020 was £131,300 (2019: £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.

JOHN TINNELLY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

16 Comparatives

Some comparative amounts have been reclassified for representational purposes only. The adjustments have no impact on the profit or net assets for the previous year.

17 Contingent Liabilities

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

18 Auditor's liability limitation agreement

The directors, on behalf of the company have entered into a Limited Liability Agreement on 02 June 2020, 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.

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.