Registration number: 00433606

PREPARED FOR THE REGISTRAR

HOPKINS & JONES LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Hopkins & Jones Limited

Contents

Hopkins & Jones Limited

(Registration number: 00433606)
Balance Sheet as at 31 December 2023

	Note	2023 £	(As restated) 2022 £
Fixed assets			
Intangible assets	4	425,230	476,861
Tangible assets	5	395,572	379,050
		820,802	855,911
Current assets			
Stocks		1,421,682	1,127,963
Debtors	6	13,841,630	11,621,705
Debtors: Amounts falling due after more than one year		93,940	57,000
Cash at bank and in hand		545,068	999,677
		15,902,320	13,806,345
Creditors: Amounts falling due within one year	7	(20,016,353)	(792,382)
Net current (liabilities)/assets		(4,114,033)	13,013,963
Total assets less current liabilities		(3,293,231)	13,869,874
Creditors: Amounts falling due after more than one year	7	-	(16,772,146)
Provisions		(434,348)	(428,985)
Net liabilities		(3,727,579)	(3,331,257)
Capital and reserves			
Called up share capital		7,500	7,500
Profit and loss account		(3,735,079)	(3,338,757)
Shareholders' deficit		(3,727,579)	(3,331,257)

For the financial year ending 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 12 November 2024 and signed on its behalf by:

J Tannahill
Director

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
127 Victoria Street
London
SW1E 6RD
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources, with the ongoing support of its shareholders to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
The following estimates and judgements are included:

1) **Stock Provision**
   The directors make an estimate of the recoverable value of the stock items on an line by line basis. When assessing the impairment, management considers factors including ageing profile of the receivable, nature of the items held and current market trends for the type of stock item. Where the net realisable value is less than the carrying value, an impairment against the stock item is recognised.

2) **Impairment of loan book**
   The directors make an estimate of the recoverable value of the loan book. When assessing the impairment, management considers factors including ageing profile of the receivable, nature of the pledge stock held as security and historical experience of the market for the type of pledge.

3) **Dilapidation provision**
   The directors have assessed the dilapidation provisions for all shops based on a 3rd party valuation obtained for the restoration costs in returning the premises back to its original condition before the lease was entered into. The dilapidation estimate will be continually reviewed based on experience and other factors, including expectation of future events.

Hopkins & Jones Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

Revenue recognition

The Company recognises revenue from the following major sources:
- Pawnbroking
- Retail

Pawnbroking revenue comprises contractual interest earned on pledge loans, plus auction profit or loss, less any auction commissions payable and less surplus payable to the customer.
Retail revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the store or the goods purchased online are delivered. Revenue is recognised when control of the goods has transferred, being at the point the smelter purchases the relevant metals.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.
The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Land and buildings	10% straight line
Furniture, fittings and equipment	10% reducing balance

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.
Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.
Website development costs are stated in the statement of financial position at cost, less any subsequent accumulated amortisation.

Hopkins & Jones Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Amortised over expected life of 10 years
Website development costs	Amortised over expected life of 2 years

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.
The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Hopkins & Jones Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.
Recognition and measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Impairment
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 27 (2022 - 23).

4 Intangible assets

	Goodwill £	Website development costs £	Total £
Cost			
At 1 January 2023 as restated	675,594	3,945	679,539
Additions acquired separately	-	22,436	22,436
At 31 December 2023	675,594	26,381	701,975
Amortisation			
At 1 January 2023	202,678	-	202,678
Amortisation charge	67,559	6,508	74,067
At 31 December 2023	270,237	6,508	276,745
Carrying amount			
At 31 December 2023	405,357	19,873	425,230
At 31 December 2022 as restated	472,916	3,945	476,861

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2023 as restated	339,713	142,241	481,954
Additions	685	57,086	57,771
At 31 December 2023	340,398	199,327	539,725
Depreciation			
At 1 January 2023	19,060	83,844	102,904
Charge for the year	32,491	8,758	41,249
At 31 December 2023	51,551	92,602	144,153
Carrying amount			
At 31 December 2023	288,847	106,725	395,572
At 31 December 2022 as restated	320,653	58,397	379,050

6 Debtors

	Note	2023 £	(As restated) 2022 £
Loan book		11,731,007	9,744,462
Interest receivable		1,881,604	1,496,498
Rent deposits over 1 year		93,940	57,000
Prepayments		154,590	105,177
VAT debtor		-	2,867
Deferred tax assets		74,429	272,701
		13,935,570	11,678,705
Less non-current portion		(93,940)	(57,000)
Total current trade and other debtors		13,841,630	11,621,705

7 Creditors

	2023 £	(As restated) 2022 £
Due within one year		
Other loans	19,056,508	-
Trade creditors	74,921	58,188
Social security and other taxes	112,646	47,794
Outstanding defined contribution pension costs	7,613	20,857
Payments on account	17,743	31
Auction surplus	102,210	89,408
Accrued expenses	644,712	576,104
	20,016,353	792,382

	2023 £	2022 £
Due after one year		
Other loans	-	16,772,146

8 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	316,350	316,350
Later than one year and not later than five years	1,065,900	1,179,900
Later than five years	469,313	671,663
	1,851,563	2,167,913

9 Provisions

	Dilapidations provisions £	Total £
At 1 January 2023 as restated	428,985	428,985
Increase due to passage of time or unwinding of discount	5,363	5,363
At 31 December 2023	434,348	434,348

The nature of the dilapidation provision is for the removal of structural and non-structural elements to restore the leased premises to its original condition at the inception of the contract as required by the terms of the lease agreement.

10 Deferred tax

Deferred tax assets and liabilities

2023	Asset £
Accelerated tax depreciation	(69,318)
Accrued liabilities	873
Tax losses carry forward	142,874
	74,429

2022	Asset £
Accelerated tax depreciation	(45,849)
Accrued liabilities	4,488
Tax losses carry forward	314,062
	272,701

11 Related party transactions

Included in other loans is an amount due to J Tannahill's spouse of £335,032 (2022: £303,521). The loan was transferred to J Tannahill's spouse from J Tannahill on the last day of the financial year. Interest of £36,616 (2022: £28,546) was accrued on the loan during the year and the loan matures on 19 December 2024.

Transactions with other related parties

Included in other loans is an amount due to Crestline Opportunity Fund III (Europe) Master Fund D SCSP of £18,721,476 (2022: £16,468,623) . Interest of £1,752,853 (2022: £1,548,862) was accrued on the loan during the year and the loan matures on 19 December 2024.

During the year, £50,000 (2022 - £50,000) was accrued for the monitoring fee payable to Crestline Management, LP, Fund Manager of Crestline Opportunity Fund III (Europe) Master Fund E SCSP . The total accrual as at 31 December 2023 was £201,814 (2022 - £151,814).

12 Parent and ultimate parent undertaking

The day to day control of the company is exercised by J Tannahill, a director of the company.
The ultimate controlling party is Crestline Opportunity Fund III (Europe) Master Fund E SCSP.

13 Non adjusting events after the financial period

Subsequent to the year end, in March 2024 the Board made the decision to close the Fleet Street store to reduce overheads whilst retaining customers through servicing online and via the other stores. There was no adverse financial impact.

14 Prior year adjustment

A prior period restatement has arisen to reallocate website development costs of £3,945 from tangible fixed assets to intangible fixed assets in order to accurately reflect the nature of the asset. There is no profit effect in relation to this restatement.
A prior period restatement to net the stock and loan provision of £102,817 and £256,387 respectively against the assets in which the provision relates to. The reallocation was made to accurately reflect the carrying value of stock and loan book asset. There is no profit effect in relation to this adjustment.
A prior period restatement has been made of £205,100 to reclassify the loss on auction from revenue to cost of sales. The reallocation was made to reflect the true nature of the cost incurred and to recognise gross revenue. There is no profit effect in relation to this adjustment.
A prior period restatement has arisen to reallocate rent deposits £57,000 from debtors within 1year to debtors >1year in order to accurately reflect when the deposit is repayable. There is no profit effect in relation to this restatement.
A prior period restatement has arisen to reallocate deferred tax asset of £272,701 from debtors >1year to debtors within 1year in order to accurately reflect when the timing expectation of the asset. There is no profit effect in relation to this restatement.
A prior period adjustment has arisen to accrue for monitoring fees due to Crestline Management, LP which were not previously accounted for. This has resulted in an increase to administrative expenses and accrued expenses of £50,000 for year ending 31 December 2022. The opening comparative position was also restated to accrue for the monitoring fee from 19 December 2019 resulting in a decrease in reserves and increase of accrued expenses of £101,814 for the year ended 31 December 2021.
A prior period adjustment has arisen to adjust the dilapidation credit of £58,500 which was previously capitalised and netted against the land and building additions following the restatement of the dilapidation. This resulted in an increase to land and buildings and an increase in the provision of £58,500. There is no profit effect in relation to this adjustment.
A further adjustment has arisen to uplift opening dilapidation provision brought forward as at 31 December 2021 due to an oversight in the information used in the dilapidation estimate previously accounted for. This has resulted in an uplift of the dilapidation and decrease in the reserves as at 31 December 2021 of £242,764.
The unwinding of the discounted value of the dilapidation also resulted in an increase to interest payable and provision of £35,721 for the year ending 31 December 2022. The overall closing reserves at 31 December 2022 decreased by £278,485.
The effect of the above restatements resulted in an increase of the Statement of Changes in Equity in relation to the Profit and Loss Account of £430,299 as at 31 December 2022 and £344,578 as at 31 December 2021.