

James Heath & Sons Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2018

James Heath & Sons Limited

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James Heath & Sons Limited

Company Information

Directors	Mr J F Heath Mr A P Heath
Registered office	Bolas House Great Bolas Telford Shropshire TF6 6PQ
Accountants	CBSL Accountants Limited Chartered Accountants Rowan House North 1 The Professional Quarter Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
James Heath & Sons Limited
for the Year Ended 31 May 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of James Heath & Sons Limited for the year ended 31 May 2018 as set out on pages 3 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of James Heath & Sons Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of James Heath & Sons Limited and state those matters that we have agreed to state to the Board of Directors of James Heath & Sons Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than James Heath & Sons Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that James Heath & Sons Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of James Heath & Sons Limited. You consider that James Heath & Sons Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of James Heath & Sons Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

CBSL Accountants Limited
Chartered Accountants
Rowan House North
1 The Professional Quarter
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

16 November 2018

James Heath & Sons Limited
(Registration number: 00692984)
Balance Sheet as at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	1,153,351	1,150,173
Current assets			
Stocks		481,781	377,665
Debtors	<u>5</u>	150,208	322,681
Cash at bank and in hand		50	50
		<u>632,039</u>	<u>700,396</u>
Creditors: Amounts falling due within one year	<u>6</u>	<u>(1,234,874)</u>	<u>(1,186,652)</u>
Net current liabilities		<u>(602,835)</u>	<u>(486,256)</u>
Total assets less current liabilities		550,516	663,917
Creditors: Amounts falling due after more than one year	<u>6</u>	<u>(786,158)</u>	<u>(906,595)</u>
Net liabilities		<u>(235,642)</u>	<u>(242,678)</u>
Capital and reserves			
Called up share capital		12,500	12,500
Profit and loss account		<u>(248,142)</u>	<u>(255,178)</u>
Total equity		<u>(235,642)</u>	<u>(242,678)</u>

For the financial year ending 31 May 2018 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.

The notes on pages 5 to 9 form an integral part of these financial statements.
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James Heath & Sons Limited
(Registration number: 00692984)
Balance Sheet as at 31 May 2018

Approved and authorised by the Board on 16 November 2018 and signed on its behalf by:

Mr J F Heath

Director

The notes on pages 5 to 9 form an integral part of these financial statements.

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James Heath & Sons Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

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:

Bolas House
Great Bolas
Telford
Shropshire
TF6 6PQ

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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis which assumes the continued support of the company's directors who ensure the company meets its liabilities as they fall due.

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	5% and 10% straight line
Plant and machinery	10% and 15% reducing balance
Tractors and motor vehicles	25% reducing balance and 20-25% straight line to an estimated residual value
Furniture and fittings	25% straight line

James Heath & Sons Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. 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.

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.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2017 - 3).

James Heath & Sons Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Tractors and motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 June 2017	895,635	904	408,327	896,327
Additions	-	-	92,125	149,731
Disposals	-	-	(37,000)	(87,250)
At 31 May 2018	895,635	904	463,452	958,808
Depreciation				
At 1 June 2017	641,325	19	109,590	300,086
Charge for the year	13,643	226	65,385	68,082
Eliminated on disposal	-	-	(16,188)	(16,720)
At 31 May 2018	654,968	245	158,787	351,448
Carrying amount				
At 31 May 2018	240,667	659	304,665	607,360
At 31 May 2017	254,310	885	298,737	596,241
				Total £
Cost or valuation				
At 1 June 2017				2,201,193
Additions				241,856
Disposals				(124,250)
At 31 May 2018				2,318,799
Depreciation				
At 1 June 2017				1,051,020
Charge for the year				147,336
Eliminated on disposal				(32,908)
At 31 May 2018				1,165,448
Carrying amount				
At 31 May 2018				1,153,351
At 31 May 2017				1,150,173

James Heath & Sons Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

Included within the net book value of land and buildings above is £240,667 (2017 - £254,310) in respect of freehold land and buildings.

Included within the net book value of £1,153,346 is £526,572 (2017 - £377,400) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £84,123 (2017 - £67,909).

5 Debtors

	Note	2018 £	2017 £
Trade debtors		45,833	217,432
Other debtors	9	104,375	105,249
Total current trade and other debtors		150,208	322,681

6 Creditors

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	7	798,889	631,946
Trade creditors		335,775	517,491
Directors' loan accounts	9	6,624	-
Other creditors		93,586	37,215
		1,234,874	1,186,652
Due after one year			
Loans and borrowings	7	488,606	567,679
Other non-current financial liabilities		297,552	338,916
		786,158	906,595

7 Loans and borrowings

The following liabilities disclosed under creditors due after one year are secured by the company:

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	252,430	300,013
Finance lease liabilities	236,176	267,666
	488,606	567,679

James Heath & Sons Limited

Notes to the Financial Statements for the Year Ended 31 May 2018

The following liabilities disclosed under creditors due within one year are secured by the company:

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	112,752	44,956
Bank overdrafts	551,399	444,670
Finance lease liabilities	134,738	142,320
	<u>798,889</u>	<u>631,946</u>

The following securities are in place:

Debenture including a fixed and floating charge dated 27 November 2014 over all the assets of the company.

8 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £Nil (2017 - £10,980).

9 Related party transactions

At the year end monies due to / (from) the directors amounted to £6,624 (2017 - (£6,471)). The loans are interest free with no fixed repayment date.

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.