REGISTERED NUMBER: 01217358 (England and Wales)

Financial Statements

for the Year Ended 31 December 2018

for

J R Harding & Sons (Frome) Limited

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J R Harding & Sons (Frome) Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:	John David Harding Raymond Kenneth Harding Stephen Peter Harding Roger Keith Harding David John Harding
SECRETARY:	John David Harding
REGISTERED OFFICE:	Manor Furlong Marston Trading Estate Frome Somerset BA11 4RJ
REGISTERED NUMBER:	01217358 (England and Wales)
BANKERS:	HSBC Plc 46 Fore Street Trowbridge Wiltshire BA14 8EU

J R Harding & Sons (Frome) Limited (Registered number: 01217358)

Statement of Financial Position
31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	4		6,298,525		6,406,206
Investments	5		665		665
			6,299,190		6,406,871
CURRENT ASSETS					
Stocks		99,270		99,517	
Debtors	6	691,381		576,932	
Cash at bank and in hand		1,567,184		1,618,140	
		2,357,835		2,294,589	
CREDITORS					
Amounts falling due within one year	7	522,331		453,941	
NET CURRENT ASSETS			1,835,504		1,840,648
TOTAL ASSETS LESS CURRENT LIABILITIES			8,134,694		8,247,519
PROVISIONS FOR LIABILITIES			118,046		135,437
NET ASSETS			8,016,648		8,112,082
CAPITAL AND RESERVES					
Called up share capital			5,665		5,665
Revaluation reserve	9		2,353,409		2,414,589
Retained earnings			5,657,574		5,691,828
SHAREHOLDERS' FUNDS			8,016,648		8,112,082

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 25/4/19 and were signed on its behalf by:

David John Harding - Director

Roger Keith Harding - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

J R Harding & Sons (Frome) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements
The financial statements contain information about J R Harding & Sons (Frome) Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken the option under section 405 of the Companies Act 2006 not to prepare consolidated financial statements.

Revenue recognition
Turnover is measured at the fair value of the consideration received or receivable and is reduced for customer returns, rebates or other similar allowances and is net of value added taxes. Turnover represents invoiced sales of warehousing services, haulage services and commercial vehicle workshop servicing and repairs.

Warehousing storage income is recognised in the period during which the goods are held. Haulage and commercial vehicle workshop services income is recognised in the period to which the service was performed and / or workshop repairs carried out.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction can be measured reliably.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured by comparing costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

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2. **ACCOUNTING POLICIES - *continued***

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 50 years straight line
Long leasehold	- 50 years straight line
Plant and machinery	- 4 to 20 years straight line
Motor vehicles	- 5 to 8 years straight line

Freehold land is not depreciated.

Land and buildings held and used in the company's own activities for production and supply of goods or for administrative purposes and elements of plant and machinery are held at deemed cost, as a result of the company taking advantage of the transitional relief to measure assets at fair value at date of transition and use the fair value as deemed cost.

Impairment of non-financial assets
At each reporting date, the company reviews the carrying amounts of its non financial assets to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Investments
Investments in subsidiaries are accounted for at cost less impairment.

Stock
Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Stock is recognised as an expense in the period in which related revenue is recognised. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified item is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments
The company has chosen to adopt the requirements of sections 11 and 12 of FRS 102 in respect of the measurement and disclosure of financial instruments.

Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of debtors could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on debtors.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other creditors
Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

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2. ACCOUNTING POLICIES - continued

Related parties
For the purposes of these financial statements, a party is considered to be related to the company if:
(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) the company and the party are subject to common control;
(iii) the party is an associate of the company or a joint venture in which the company is a venturer;
(iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
(vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experiences 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 key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Trade and other debtors - the allowance for doubtful accounts involves significant management judgement and review of individual debtors based on individual customer creditworthiness, current economic trends and analysis of historical bad debts on a portfolio basis.

Stock - significant estimates are involved in the determination of stock provisions. Management exercise significant judgement in determining whether costs of a particular stock line are recoverable on a stock line by stock line basis. A provision is made where a loss can be reliably estimated.

Provisions - provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Depreciation - assets are depreciated over their useful economic lives as estimated by management. This initial estimate of an asset's useful economic life, although informed by management's analysis of previous assets' lives, can have a significant impact on the overall depreciation charge for the year.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 49 (2017 - 47).

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4. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 January 2018	1,697,135	4,250,000	3,866,655	1,492,115	11,305,905
Additions	-	-	137,379	5,600	142,979
Disposals	-	-	(43,206)	-	(43,206)
At 31 December 2018	1,697,135	4,250,000	3,960,828	1,497,715	11,405,678
DEPRECIATION					
At 1 January 2018	57,100	260,002	3,522,903	1,059,694	4,899,699
Charge for year	10,000	65,000	70,250	105,410	250,660
Eliminated on disposal	-	-	(43,206)	-	(43,206)
At 31 December 2018	67,100	325,002	3,549,947	1,165,104	5,107,153
NET BOOK VALUE					
At 31 December 2018	1,630,035	3,924,998	410,881	332,611	6,298,525
At 31 December 2017	1,640,035	3,989,998	343,752	432,421	6,406,206

Included in cost of land and buildings is freehold land of £2,197,135 (2017 - £2,197,135) which is not depreciated.

5. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2018 and 31 December 2018	665
NET BOOK VALUE	
At 31 December 2018	665
At 31 December 2017	665

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	460,441	472,593
Prepayments	230,940	104,339
	691,381	576,932

Impairments against trade and other debtors have been recorded as follows:

	2018 £	2017 £
An impairment loss was recognised against trade debtors	Nil	Nil

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7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	227,229	137,478
Corporation tax	77,681	95,884
Social security and other taxes	110,689	130,584
Other creditors	28,030	36,885
Amounts owed to group undertaking	250	250
Accrued expenses	78,452	52,860
	522,331	453,941

8. FINANCIAL INSTRUMENTS

Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the company's business. These risks are limited by the company's financial management policies and practices described below.

Foreign currency risk
The company has limited exposure to foreign currency risk. Substantially all of the company's sales and purchases are denominated in sterling.

Credit risk and market risk
The company is at risk from its customers defaulting in making payments for goods and services that have been supplied to them. The company mitigates this risk by taking out credit insurance against all credit offered to its customers.

Liquidity risk
The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves, banking facilities and reserve borrowing facilities. They do this by continuously reviewing cash flows and ensuring cash reserves are sufficient to meet ongoing liabilities.

Cash flow interest rate risk
The company is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. The company's policy is to obtain the most favourable interest rates available for its assets.

The company has no significant interest-bearing liabilities.

The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

9. RESERVES

	Revaluation reserve
	£
At 1 January 2018	2,414,589
Transfer	(61,180)
At 31 December 2018	2,353,409

Profit and loss account - includes all current and prior period retained profits and losses.

Revaluation reserve - represents the revaluation of plant & machinery and land & buildings.

The company has distributable reserves of £5,651,886 (2017:£5,691,828)

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Martin Longmore (Senior Statutory Auditor)
for and on behalf of MHA Monahans

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11. CAPITAL MANAGEMENT

Capital comprises share capital and reserves stated on the balance sheet. The company's objective when managing capital is to provide sufficient resources to allow the continued investment in new equipment that is required in the rapidly changing market in which the company operates and to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

The company manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. No changes were made in the objectives, policies and processes during the years 2017 and 2018.

The company is entirely owned by the directors. The share capital and reserves totalling £8,010,960 (2017: £8,112,082) provides the majority of the working capital required by the company. The company is not subject to either internally or externally imposed capital requirements.

12. RELATED PARTY DISCLOSURES

During the year, total dividends of £347,235 were paid to the directors.

Amounts owed to group undertakings comprise of a loan of £250 (2017: £250) from Wessex Trucks (Frome) Limited. This loan is unsecured, interest free and repayable on demand.

13. ULTIMATE CONTROLLING PARTY

The company is under the control of the directors J D Harding, Ray K Harding, S P Harding, Roger K Harding and D J Harding who each own 20% of the issued share capital of the company.