

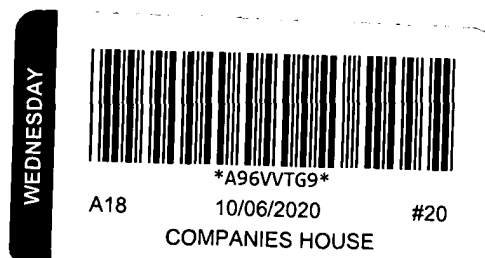
Registration number: 02646376

# Jempsons Commercials Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2019

Manningtons  
Chartered Accountants  
39 High Street  
Battle  
East Sussex  
TN33 0EE



# **Jempsons Commercials Limited**

## **Contents**

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 to 13
Detailed Profit and Loss Account	14 to 16

## **Jempsons Commercials Limited**

### **Company Information**

<b>Directors</b>	M T Chamberlain J E Jempson
<b>Company secretary</b>	Mrs G K C Hunt
<b>Registered office</b>	Slade Yard Rye East Sussex TN31 7DG
<b>Bankers</b>	HSBC Hastings 4 Robertson Street Hastings East Sussex TN34 1HW
<b>Auditors</b>	Manningtons Chartered Accountants 39 High Street Battle East Sussex TN33 0EE

## **Jempsons Commercials Limited**

### **Directors' Report for the Year Ended 31 October 2019**

The directors present their report and the financial statements for the year ended 31 October 2019.

#### **Directors of the company**

The directors who held office during the year were as follows:

M T Chamberlain

J E Jempson

#### **Principal activity**

The principal activity of the company is that of vehicle repairs. The company is a wholly owned subsidiary of John Jempson & Son Ltd

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

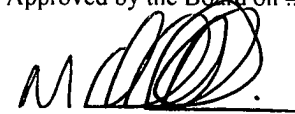
#### **Reappointment of auditors**

The auditors Manningtons are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Small companies provision statement**

This report has 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.

Approved by the Board on 3/6/20 and signed on its behalf by:



M T Chamberlain  
Director

## **Jempsons Commercials Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Jempsons Commercials Limited**

### **Independent Auditor's Report to the Members of Jempsons Commercials Limited**

#### **Opinion**

We have audited the financial statements of Jempsons Commercials Limited (the 'company') for the year ended 31 October 2019, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Jempsons Commercials Limited**

### **Independent Auditor's Report to the Members of Jempsons Commercials Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Jempsons Commercials Limited**

### **Independent Auditor's Report to the Members of Jempsons Commercials Limited**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Roger Dennard BA FCA (Senior Statutory Auditor)  
For and on behalf of Manningtons, Statutory Auditor

39 High Street  
Battle  
East Sussex  
TN33 0EE

Date: 4<sup>th</sup> June 2020



## Jempsons Commercials Limited

### Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 October 2019

	Note	2019 £	2018 £
Turnover		1,487,343	2,011,912
Cost of sales		<u>(1,064,216)</u>	<u>(1,541,663)</u>
Gross profit		423,127	470,249
Administrative expenses		<u>(366,342)</u>	<u>(382,978)</u>
Operating profit		<u>56,785</u>	<u>87,271</u>
Profit before tax	5	56,785	87,271
Taxation		<u>(10,786)</u>	<u>(16,580)</u>
Profit for the financial year		45,999	70,691
Retained earnings brought forward		<u>905,254</u>	<u>834,563</u>
Retained earnings carried forward		<u><u>951,253</u></u>	<u><u>905,254</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

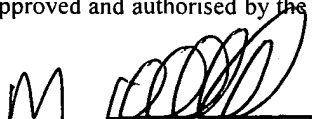
The notes on pages 9 to 13 form an integral part of these financial statements.

**Jempsons Commercials Limited**  
**(Registration number: 02646376)**  
**Balance Sheet as at 31 October 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	58,698	71,504
<b>Current assets</b>			
Stocks	7	43,302	62,483
Debtors	8	909,037	1,017,724
Cash at bank and in hand		70,046	61,109
		<u>1,022,385</u>	<u>1,141,316</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(118,518)</u>	<u>(294,006)</u>
<b>Net current assets</b>		<u>903,867</u>	<u>847,310</u>
<b>Total assets less current liabilities</b>		962,565	918,814
<b>Provisions for liabilities</b>		<u>(10,312)</u>	<u>(12,560)</u>
<b>Net assets</b>		<u>952,253</u>	<u>906,254</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		<u>951,253</u>	<u>905,254</u>
<b>Total equity</b>		<u>952,253</u>	<u>906,254</u>

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.

Approved and authorised by the Board on 31/6/20 and signed on its behalf by:



M T Chamberlain  
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

## **Jempsons Commercials Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2019**

#### **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:

Slade Yard  
Rye  
East Sussex  
TN31 7DG  
United Kingdom

#### **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.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **Tax**

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

The current income 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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

## **Jempsons Commercials Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2019**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10% reducing balance
Motor vehicles	25% reducing balance

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **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 at the transaction price, less provision for impairment. 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 receivables.

#### **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.

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. Accounts payable 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.

#### **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.

## **Jempsons Commercials Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2019**

#### **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.

#### **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.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 16 (2018 - 18).

#### **4 Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>2,500</u>	<u>2,500</u>

#### **5 Profit before tax**

Arrived at after charging/(crediting)

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation expense	<u>12,806</u>	<u>16,368</u>

# Jempsons Commercials Limited

## Notes to the Financial Statements for the Year Ended 31 October 2019

### 6 Tangible assets

	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>			
At 1 November 2018	114,340	167,293	281,633
At 31 October 2019	114,340	167,293	281,633
<b>Depreciation</b>			
At 1 November 2018	76,634	133,495	210,129
Charge for the year	9,426	3,380	12,806
At 31 October 2019	86,060	136,875	222,935
<b>Carrying amount</b>			
At 31 October 2019	28,280	30,418	58,698
At 31 October 2018	37,706	33,798	71,504

### 7 Stocks

	2019 £	2018 £
Work in progress	14,408	22,322
Other inventories	28,894	40,161
	<u>43,302</u>	<u>62,483</u>

### 8 Debtors

	Note	2019 £	2018 £
Trade debtors		142,481	337,184
Amounts owed by group undertakings and undertakings in which the company has a participating interest		762,616	643,505
Taxation and social security		1,796	35,564
Prepayments		<u>2,144</u>	<u>1,471</u>
		<u>909,037</u>	<u>1,017,724</u>

## **Jempsons Commercials Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2019**

#### **9 Creditors**

##### **Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	87,792	236,249
Taxation and social security	19,511	31,679
Other creditors	11,215	26,078
	<u>118,518</u>	<u>294,006</u>

#### **10 Parent and ultimate parent undertaking**

The company's immediate parent is John Jempson and Son Limited, incorporated in England and Wales.

The ultimate parent is Jempson Holdings Limited, incorporated in England and Wales.

The ultimate controlling party is Mr M Chamberlain.

The parent of the largest group in which these financial statements are consolidated is Jempson Holdings Limited, incorporated in England and Wales.

The address of Jempson Holdings Limited is:

Slade Yard  
Rye  
East Sussex  
TN31 7DG

Jempson Holdings Limited was incorporated on 23rd March 2009 as a result of a management buy-out and acts as the holding company for the Jempson group of companies .

The parent of the smallest group in which these financial statements are consolidated is Jempson Holdings Limited, incorporated in England and Wales.

The address of Jempson Holdings Limited is:

As above

Company information is as above.

## Jempsons Commercials Limited

### Detailed Profit and Loss Account for the Year Ended 31 October 2019

	2019 £	2018 £
Turnover (analysed below)	1,487,343	2,011,912
Cost of sales (analysed below)	<u>(1,064,216)</u>	<u>(1,541,663)</u>
Gross profit	<u>423,127</u>	<u>470,249</u>
Gross profit (%)	28.45%	23.37%
<b>Administrative expenses</b>		
Employment costs (analysed below)	(135,013)	(142,341)
Establishment costs (analysed below)	(168,827)	(180,892)
General administrative expenses (analysed below)	(47,163)	(41,090)
Finance charges (analysed below)	(2,533)	(2,403)
Depreciation costs (analysed below)	(12,806)	(16,368)
Other expenses (analysed below)	<u>-</u>	<u>116</u>
	<u>(366,342)</u>	<u>(382,978)</u>
Operating profit	<u>56,785</u>	<u>87,271</u>
Profit before tax	<u><u>56,785</u></u>	<u><u>87,271</u></u>



## Jempsons Commercials Limited

### Detailed Profit and Loss Account for the Year Ended 31 October 2019

	2019 £	2018 £
<b>Turnover</b>		
John Jempson & Son Ltd	1,071,055	1,596,025
Others	414,401	413,330
Other operating income	1,887	2,557
	<u>1,487,343</u>	<u>2,011,912</u>
<b>Cost of sales</b>		
Opening stock	40,161	37,980
Opening work in progress	22,322	39,832
Spares and parts	505,459	759,308
Tyres	209,366	322,136
Oils	6,622	19,092
MOT tests and retests	28,622	34,261
Closing stock	(28,894)	(40,161)
Closing work in progress	(14,408)	(22,322)
Fitters wages	263,044	350,228
Staff NIC (Employers)	25,372	34,736
Staff pensions	4,604	4,214
Apprenticeship levy	1,946	2,359
	<u>1,064,216</u>	<u>1,541,663</u>
<b>Employment costs</b>		
Salaries	119,883	124,269
Staff NIC (Employers)	12,367	12,413
Staff pensions (Defined contribution)	2,408	1,594
Staff training	355	4,065
	<u>135,013</u>	<u>142,341</u>
<b>Establishment costs</b>		
Rent and rates	86,348	86,347
Service charge	36,853	36,854
Light and heat	7,311	8,240
Insurance	22,986	23,577
Waste disposal	7,319	6,569
Repairs and renewals	5,708	8,619
Replacement tools	2,302	10,686
	<u>168,827</u>	<u>180,892</u>

This page does not form part of the statutory financial statements.

## Jempsons Commercials Limited

### Detailed Profit and Loss Account for the Year Ended 31 October 2019

	2019 £	2018 £
<b>General administrative expenses</b>		
Telephone	1,640	1,597
Computer software and maintenance costs	11,841	10,291
Printing, postage and stationery	2,284	2,202
Sundry expenses	15,256	11,683
Motor expenses	12,850	12,724
Auditor's remuneration - The audit of the company's annual accounts	2,500	2,500
Consultancy fees	792	93
	<u>47,163</u>	<u>41,090</u>
<b>Finance charges</b>		
Bank charges	<u>2,533</u>	<u>2,403</u>
<b>Depreciation costs</b>		
Depreciation of plant and machinery (owned)	3,380	3,756
Depreciation of motor vehicles (owned)	<u>9,426</u>	<u>12,612</u>
	<u>12,806</u>	<u>16,368</u>
<b>Other expenses</b>		
(Profit)/loss on disposal of tangible fixed assets	<u>-</u>	<u>(116)</u>