

J. FREEMAN & SONS LIMITED

Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 30 September 2019



J. Freeman & Sons Limited

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J. Freeman & Sons Limited

Company Information

Directors	J R Freeman (Snr) J. R. Freeman (Jnr) D. G. Freeman
Company secretary	D. G. Freeman
Registered office	Unit 353 Dukesway Court Team Valley Trading Estate Gateshead Tyne and Wear NE11 0BH
Bankers	Barclays Bank PLC 1 King Street South Shields Tyne and Wear NE33 1DA
Accountants	MHA Tait Walker Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

J. Freeman & Sons Limited

(Registration number: 04285214)

Statement of Financial Position as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	3,000	4,500
Tangible assets	5	<u>322,218</u>	<u>219,245</u>
		<u>325,218</u>	<u>223,745</u>
Current assets			
Stocks		159,027	112,525
Debtors	6	758,068	873,580
Cash at bank and in hand		<u>622,160</u>	<u>380,954</u>
		1,539,255	1,367,059
Creditors: Amounts falling due within one year	7	<u>(962,492)</u>	<u>(894,170)</u>
Net current assets		<u>576,763</u>	<u>472,889</u>
Total assets less current liabilities		901,981	696,634
Provisions for liabilities		<u>(51,756)</u>	<u>(34,444)</u>
Net assets		<u>850,225</u>	<u>662,190</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>850,125</u>	<u>662,090</u>
Total equity		<u>850,225</u>	<u>662,190</u>

For the financial year ending 30 September 2019 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 financial statements 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 financial statements.

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 Income Statement has been taken.

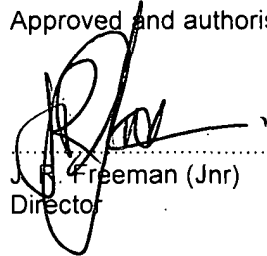
The notes on pages 4 to 10 form an integral part of these financial statements.


J. Freeman & Sons Limited

(Registration number: 04285214)

**Statement of Financial Position as at 30 September 2019
(continued)**

Approved and authorised by the Board on 15/6/20 and signed on its behalf by:


.....
J. B. Freeman (Jnr)
Director


.....
D. G. Freeman
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 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 Unit 353 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH.

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.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The company meets its day to day working capital requirements through cash generated from operations. At this time the impact and scale of the COVID-19 virus on the global economy and the subsequent impact on the company is unknown. This indicates a level of material uncertainty over the timing of demand of the company's services for the foreseeable future.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. In the directors assessment of possible changes they have considered a fall in demand and potential cost savings which are reflective of their business continuity plan should the global economic impact widen.

Having considered the current cash forecasts of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of a least twelve months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

2 Accounting policies (continued)

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 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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 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.

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.

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

2 Accounting policies (continued)

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
Leasehold property	10% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	25% reducing balance
Website development costs	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Goodwill

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. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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	Straight line over 6 years from date of transition to FRS 102

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

2 Accounting policies (continued)

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. They are subsequently measured at amortised cost using the effective interest method, 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.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

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 54 (2018 - 53).

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 October 2018	30,000	30,000
At 30 September 2019	30,000	30,000
Amortisation		
At 1 October 2018	25,500	25,500
Amortisation charge	1,500	1,500
At 30 September 2019	27,000	27,000
Carrying amount		
At 30 September 2019	3,000	3,000
At 30 September 2018	4,500	4,500

5 Tangible assets

	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Website development £	Total £
Cost or valuation						
At 1 October 2018	63,274	102,136	189,947	267,262	48,010	670,629
Additions	-	10,245	21,500	52,014	87,537	171,296
At 30 September 2019	63,274	112,381	211,447	319,276	135,547	841,925
Depreciation						
At 1 October 2018	53,966	78,247	178,616	125,033	15,522	451,384
Charge for the year	819	6,153	8,765	35,558	17,028	68,323
At 30 September 2019	54,785	84,400	187,381	160,591	32,550	519,707
Carrying amount						
At 30 September 2019	8,489	27,981	24,066	158,685	102,997	322,218
At 30 September 2018	9,308	23,889	11,331	142,229	32,488	219,245

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

6 Debtors

	2019 £	2018 £
Trade debtors	588,697	711,166
Prepayments	31,796	28,026
Other debtors	137,575	134,388
	<u>758,068</u>	<u>873,580</u>

7 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	642,325	632,275
Taxation and social security	16,063	20,508
Accruals and deferred income	186,442	161,988
Other creditors	17,525	15,602
Corporation tax liability	56,364	40,922
Directors loan accounts	43,773	22,875
	<u>962,492</u>	<u>894,170</u>

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £Nil (2018 - £2,633).

Amounts disclosed in the statement of financial position

Included in the statement of financial position are financial commitments of £1,694 (2018 - £977).

J. Freeman & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019 (continued)

9 Related party transactions

Transactions with directors

	At 1 October 2018 £	Advances to directors £	Repayments by director £	At 30 September 2019 £
2019				
D. G. Freeman				
Loan	<u>(11,353)</u>	<u>4,555</u>	<u>(15,000)</u>	<u>(21,798)</u>
J. R. Freeman (Jnr)				
Loan	<u>(11,522)</u>	<u>4,547</u>	<u>(15,000)</u>	<u>(21,975)</u>
	At 1 October 2017 £	Advances to directors £	Repayments by director £	At 30 September 2018 £
2018				
D. G. Freeman				
Loan	<u>1,183</u>	<u>12,064</u>	<u>(24,600)</u>	<u>(11,353)</u>
J. R. Freeman (Jnr)				
Loan	<u>1,183</u>	<u>11,895</u>	<u>(24,600)</u>	<u>(11,522)</u>

Summary of transactions with other related parties

Freeman Finance (North East) Limited

The company is related to Freeman Finance (North East) Limited by way of common directors and shareholders.

Loans to related parties

	Other related parties £
2019	
At start of period	<u>100,000</u>
	Other related parties £
2018	
At start of period	<u>100,000</u>

Terms of loans to related parties

The loan is interest free and repayable on demand.