A J SUPPLIES LIMITED

Unaudited Financial Statements

For the financial year ended 31 July 2022

Pages for filing with the registrar

A J SUPPLIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 July 2022

Contents

A J SUPPLIES LIMITED
BALANCE SHEET
As at 31 July 2022

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	4	7,358	3,883
Tangible assets	5	35,096	32,358
Investments	6	2,000	2,000
		44,454	**38,241**
Current assets			
Stocks	7	91,000	72,000
Debtors	8	153,464	149,018
Cash at bank and in hand		39,291	93,946
		283,755	**314,964**
Creditors: amounts falling due within one year	9	(116,202)	(153,714)
Net current assets		**167,553**	**161,250**
Total assets less current liabilities		**212,007**	**199,491**
Provision for liabilities	10	(7,781)	(6,101)
Net assets		**204,226**	**193,390**
Capital and reserves			
Called-up share capital		106	106
Profit and loss account		204,120	193,284
Total shareholders' funds		**204,226**	**193,390**

For the financial year ending 31 July 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of A J Supplies Limited (registered number: 09075541) were approved and authorised for issue by the Director on 24 April 2023. They were signed on its behalf by:

A Herring
Director

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

A J Supplies Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Hendford Manor, Yeovil, Somerset, England, BA20 1UN, United Kingdom. The principal place of business is Central Transmission Hall, Rampisham Industrial Estate, Rampisham, Dorchester, DT2 0HS.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer, which is when the goods have been delivered.

Employee benefits

Defined contribution schemes
The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Taxation

Current tax
Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Tax is recognised in the profit and loss account, 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.

Deferred tax
Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

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. Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	5 years straight line
Website costs	5 years straight line

Goodwill

Goodwill arises on business combinations and represents any excess of consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is initially recognised as an intangible asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	15 % reducing balance
Plant and machinery	15 % reducing balance
Vehicles	25 % reducing balance
Office equipment	15 % reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Leases

The Company as lessee
Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

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 the Profit and Loss Account as described below.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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 receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

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

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at X. 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in other operating income over the period in which the related costs are recognised, and timing differences are presented as other debtors or deferred income within the balance sheet. Grants relating to assets are recognised 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.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

	2022	**2021**
	Number	**Number**
Monthly average number of persons employed by the Company during the year, including the director	11	14

3. Other operating income

	2022	**2021**
	£	**£**
Coronavirus Job Retention Scheme	4,452	28,932

4. Intangible assets

	Goodwill	Website costs	Total
	£	£	£
Cost			
At 01 August 2021	170,000	4,250	174,250
Additions	0	4,718	4,718
At 31 July 2022	**170,000**	**8,968**	**178,968**
Accumulated amortisation			
At 01 August 2021	170,000	367	170,367
Charge for the financial year	0	1,243	1,243
At 31 July 2022	**170,000**	**1,610**	**171,610**
Net book value			
At 31 July 2022	**0**	**7,358**	**7,358**
At 31 July 2021	0	3,883	3,883

5. Tangible assets

	Leasehold improve-ments	Plant and machinery	Vehicles	Office equipment	Total
	£	£	£	£	£
Cost					
At 01 August 2021	0	5,980	44,837	9,523	60,340
Additions	7,070	0	0	3,604	10,674
At 31 July 2022	**7,070**	**5,980**	**44,837**	**13,127**	**71,014**
Accumulated depreciation					
At 01 August 2021	0	3,545	18,897	5,540	27,982
Charge for the financial year	343	366	6,485	742	7,936
At 31 July 2022	**343**	**3,911**	**25,382**	**6,282**	**35,918**
Net book value					
At 31 July 2022	**6,727**	**2,069**	**19,455**	**6,845**	**35,096**
At 31 July 2021	0	2,435	25,940	3,983	32,358

6. Fixed asset investments

	Other investments	Total
	£	£
Carrying value before impairment		
At 01 August 2021	2,000	2,000
At 31 July 2022	**2,000**	**2,000**
Provisions for impairment		
At 01 August 2021	0	0
At 31 July 2022	**0**	**0**
Carrying value at 31 July 2022	**2,000**	**2,000**
Carrying value at 31 July 2021	2,000	2,000

The cost of the investment on acquisition was £2,000. Other investments are held at cost less impairment because their fair value cannot be measured reliably.

7. Stocks

	2022	2021
	£	£
Stocks	91,000	72,000

The cost of stocks above relates to finished goods and goods for resale.

8. Debtors

	2022	2021
	£	£
Trade debtors	143,694	146,921
Other debtors	9,770	2,097
	153,464	**149,018**

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	77,667	77,786
Accruals	3,069	2,978
Corporation tax	15,665	34,473
Other taxation and social security	17,149	18,145
Obligations under finance leases and hire purchase contracts	0	590
Other creditors	2,652	19,742
	116,202	**153,714**

10. Provision for liabilities

	2022	2021
	£	£
Deferred tax	7,781	6,101

11. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
- within one year	25,380	0
- between one and five years	50,760	0
	76,140	**0**

The total amount of financial commitments not included in the balance sheet is £76,140 (2021 - nil).