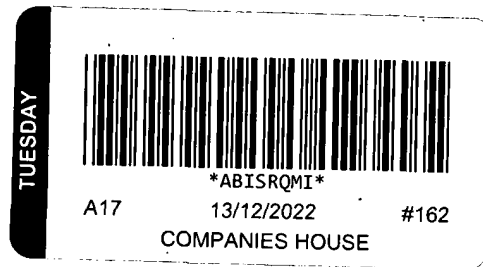


Company registration number 00377602 (England and Wales)

**J BANKS & CO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



# **J BANKS & CO LIMITED**

## **COMPANY INFORMATION**

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**Director** Mr J Wellman

**Company number** 00377602

**Registered office** Unit A, Vernon Park  
Featherstone  
Wolverhampton  
West Midlands  
WV10 7HW

**Auditor** Thomas & Young Limited  
Carleton House  
266-268 Stratford Road  
Shirley  
Solihull  
B90 3AD

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# **J BANKS & CO LIMITED**

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# **J BANKS & CO LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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The director presents the strategic report for the year ended 31 March 2022.

### **Fair review of the business**

The director is satisfied with the performance of the company during the year and the financial position at the year end.

Turnover has increased by 12.78%, however the gross profit margin has decreased from 46.8% in 2021 to 44.9% in 2022.

### **Principal risks and uncertainties**

There are ongoing risks in a competitive marketplace and systems are in place to monitor these issues and to develop and maintain strong customer relationships.

### **Development and performance**

The company continues with its activities in the field of research and development in order to maintain and strengthen its market position.

### **Key performance indicators**

Key performance indicators are used to evaluate company performance against targets. The main indicators used by the company are:

Turnover levels (by products and markets)

Profit/(loss) levels (gross and net)

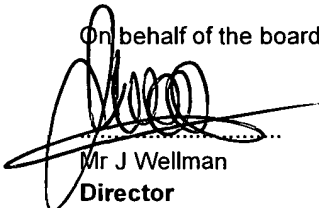
Staff costs

Debtor days

Cashflow levels

The management monitor these on a monthly basis against budgets.

On behalf of the board



Mr J Wellman  
Director

Date: 28/10/22

# **J BANKS & CO LIMITED**

## **DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The director presents his annual report and financial statements for the year ended 31 March 2022.

### **Principal activities**

The principal activity of the company continued to be that of the manufacture and supply of locks and hardware.

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £15,013. The director does not recommend payment of a final dividend.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J Wellman

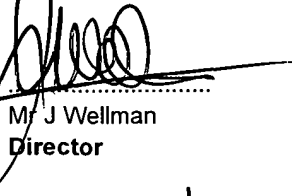
### **Auditor**

In accordance with the company's articles, a resolution proposing that Thomas & Young Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr J Wellman  
Director

Date: 28/10/22

# **J BANKS & CO LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then 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 director is 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. He is 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.

# J BANKS & CO LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF J BANKS & CO LIMITED

---

#### Opinion

We have audited the financial statements of J Banks & Co Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *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 March 2022 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# **J BANKS & CO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF J BANKS & CO LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# J BANKS & CO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF J BANKS & CO LIMITED

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### 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.



**Michael Vousden FCA**  
**Senior Statutory Auditor**  
For and on behalf of Thomas & Young Limited

Date: 28 October 2022

**Chartered Accountants**  
**Statutory Auditor**

Carleton House  
266-268 Stratford Road  
Shirley  
Solihull  
B90 3AD

# J BANKS & CO LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover	3	9,425,997	8,357,808
Cost of sales		(5,167,194)	(4,446,543)
<b>Gross profit</b>		<b>4,258,803</b>	<b>3,911,265</b>
Administrative expenses		(2,506,823)	(2,316,840)
Other operating income		24,591	368,020
<b>Operating profit</b>	4	<b>1,776,571</b>	<b>1,962,445</b>
Interest receivable and similar income	7	2,320	12,204
<b>Profit before taxation</b>		<b>1,778,891</b>	<b>1,974,649</b>
Tax on profit	8	(261,197)	(229,200)
<b>Profit for the financial year</b>		<b>1,517,694</b>	<b>1,745,449</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **J BANKS & CO LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,517,694	1,745,449
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,517,694</u>	<u>1,745,449</u>

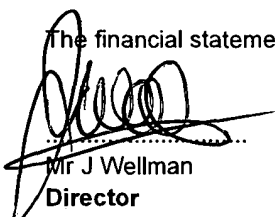
# J BANKS & CO LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10	2,722,818		2,876,883	
Investment properties	11	769,861		526,457	
		<u>3,492,679</u>		<u>3,403,340</u>	
<b>Current assets</b>					
Stocks	12	735,894		651,545	
Debtors	13	2,419,303		2,778,896	
Cash at bank and in hand		9,599,129		7,961,125	
		<u>12,754,326</u>		<u>11,391,566</u>	
<b>Creditors: amounts falling due within one year</b>	14	(1,220,932)		(1,279,300)	
<b>Net current assets</b>		<u>11,533,394</u>		<u>10,112,266</u>	
<b>Total assets less current liabilities</b>		<u>15,026,073</u>		<u>13,515,606</u>	
<b>Provisions for liabilities</b>					
Deferred tax liability	15	78,065		70,279	
		<u>(78,065)</u>		<u>(70,279)</u>	
<b>Net assets</b>		<u>14,948,008</u>		<u>13,445,327</u>	
<b>Capital and reserves</b>					
Called up share capital	17	2,000		2,000	
Capital redemption reserve		2,000		2,000	
Profit and loss reserves		14,944,008		13,441,327	
<b>Total equity</b>		<u>14,948,008</u>		<u>13,445,327</u>	

The financial statements were approved and signed by the director and authorised for issue on ...28/10/22

  
Mr J Wellman  
Director

Company Registration No. 00377602

# J BANKS & CO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		2,000	2,000	11,732,316	11,736,316
<b>Year ended 31 March 2021:</b>					
Profit and total comprehensive income for the year		-	-	1,745,449	1,745,449
Dividends	9	-	-	(36,438)	(36,438)
<b>Balance at 31 March 2021</b>		2,000	2,000	13,441,327	13,445,327
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year		-	-	1,517,694	1,517,694
Dividends	9	-	-	(15,013)	(15,013)
<b>Balance at 31 March 2022</b>		2,000	2,000	14,944,008	14,948,008

# J BANKS & CO LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18	2,583,377		2,019,010	
Income taxes paid		(307,069)		(196,136)	
<b>Net cash inflow from operating activities</b>		<u>2,276,308</u>		<u>1,822,874</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(414,521)		(429,337)	
Proceeds on disposal of tangible fixed assets		32,313		6,900	
Purchase of investment property		(243,404)		(193,223)	
Interest received		<u>2,321</u>		<u>12,204</u>	
<b>Net cash used in investing activities</b>		(623,291)		(603,456)	
<b>Financing activities</b>					
Dividends paid		<u>(15,013)</u>		<u>(36,438)</u>	
<b>Net cash used in financing activities</b>		(15,013)		(36,438)	
<b>Net increase in cash and cash equivalents</b>		<u>1,638,004</u>		<u>1,182,980</u>	
Cash and cash equivalents at beginning of year		7,961,125		6,778,145	
<b>Cash and cash equivalents at end of year</b>		<u><u>9,599,129</u></u>		<u><u>7,961,125</u></u>	

# **J BANKS & CO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### **1 Accounting policies**

#### **Company information**

J Banks & Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Vernon Park, Featherstone, Wolverhampton, West Midlands, WV10 7HW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	5% straight line
Plant and equipment	15% - 25% straight line and 15% reducing balance
Computers	25% straight line
Motor vehicles	25% straight line

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.

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.



# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### 1.9 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 current liabilities.

##### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

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.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.15 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.16 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

Turnover is wholly attributable to the company's principal activity.

	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
UK	8,577,389	7,787,874
Europe	716,495	488,864
Rest of world	132,113	81,070
	<u>9,425,997</u>	<u>8,357,808</u>

	2022 £	2021 £
<b>Other revenue</b>		
Interest income	2,320	12,204
Grants received	10,191	353,620
	<u>12,511</u>	<u>365,824</u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	245,133	296,834
Government grants	(10,191)	(353,620)
Fees payable to the company's auditor for the audit of the company's financial statements	15,025	15,250
Depreciation of owned tangible fixed assets	556,524	494,532
Profit on disposal of tangible fixed assets	(20,250)	(6,900)
	<u>836,241</u>	<u>486,116</u>

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Production	79	77
Management and administration	22	22
Total	101	99

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	693,920	592,508
Social security costs	229,898	204,838
Pension costs	73,074	76,993
	996,892	874,339

### 6 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	47,957	36,275
Company pension contributions to defined contribution schemes	20,000	20,000
	67,957	56,275

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	832	12,204
Other interest income	1,488	-
Total income	2,320	12,204

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2,320	12,204
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# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	252,231	286,478
Adjustments in respect of prior periods	1,180	(440)
<b>Total current tax</b>	<b>253,411</b>	<b>286,038</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	7,786	(56,838)
<b>Total tax charge</b>	<b>261,197</b>	<b>229,200</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,778,891	1,974,649
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	337,989	375,183
Adjustments in respect of prior years	1,181	(156)
Permanent capital allowances in excess of depreciation	(18,576)	(14,360)
Research and development tax credit	(56,736)	(73,318)
Deferred tax adjustments in respect of prior years	7,786	(56,838)
Profit on sale of fixed assets	(3,848)	(1,311)
Patent box adjustments	(6,599)	-
<b>Taxation charge for the year</b>	<b>261,197</b>	<b>229,200</b>

#### 9 Dividends

	2022 £	2021 £
Interim paid	15,013	36,438

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	2,926,214	4,458,681	-	421,446	7,806,341
Additions	-	381,846	32,675	-	414,521
Disposals	-	(86,476)	-	(34,060)	(120,536)
At 31 March 2022	2,926,214	4,754,051	32,675	387,386	8,100,326
<b>Depreciation and impairment</b>					
At 1 April 2021	1,395,806	3,292,992	-	240,659	4,929,457
Depreciation charged in the year	148,068	336,156	7,322	64,978	556,524
Eliminated in respect of disposals	-	(86,476)	-	(21,997)	(108,473)
At 31 March 2022	1,543,874	3,542,672	7,322	283,640	5,377,508
<b>Carrying amount</b>					
At 31 March 2022	1,382,340	1,122,689	25,353	103,746	2,722,818
At 31 March 2021	1,530,408	1,165,688	-	180,787	2,876,883

#### 11 Investment property

	2022 £
<b>Fair value</b>	
At 1 April 2021	526,457
Additions through external acquisition	243,404
At 31 March 2022	769,861

Investment property comprises three properties. The fair value of the investment properties has been arrived at on the basis of a valuation carried out by the director. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

#### 12 Stocks

	2022 £	2021 £
Raw materials and consumables	176,846	112,775
Work in progress	504,160	475,727
Finished goods and goods for resale	54,888	63,043
	735,894	651,545

# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 13 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,406,630	1,739,969
Amounts owed by group undertakings	978,849	978,849
Prepayments and accrued income	33,824	60,078
	<u>2,419,303</u>	<u>2,778,896</u>

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

	2022 £	2021 £
Trade creditors	770,706	724,615
Corporation tax	90,855	144,513
Other taxation and social security	229,272	296,022
Other creditors	46,329	45,200
Accruals and deferred income	83,770	68,950
	<u>1,220,932</u>	<u>1,279,300</u>

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	<u>78,065</u>	<u>70,279</u>
<b>Movements in the year:</b>		<b>2022 £</b>
Liability at 1 April 2021		70,279
Charge to profit or loss		<u>7,786</u>
Liability at 31 March 2022		<u>78,065</u>



# J BANKS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 16 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	73,074	76,993

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 17 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	2,000	2,000	2,000	2,000

### 18 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	1,517,694	1,745,450
<b>Adjustments for:</b>		
Taxation charged	261,197	229,200
Investment income	(2,320)	(12,204)
Gain on disposal of tangible fixed assets	(20,250)	(6,900)
Depreciation and impairment of tangible fixed assets	556,524	494,532
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(84,351)	33,537
Decrease/(increase) in debtors	359,593	(778,964)
(Decrease)/increase in creditors	(4,710)	314,359
<b>Cash generated from operations</b>	<b>2,583,377</b>	<b>2,019,010</b>

### 19 Analysis of changes in net funds

	1 April 2021	Cash flows	31 March 2022
	£	£	£
Cash at bank and in hand	7,961,125	1,638,004	9,599,129