

Registered number: 09592151

JACK HARRIS (GRANTHAM) LIMITED

Annual report and financial statements

For the Year Ended 30 September 2023



JACK HARRIS (GRANTHAM) LIMITED

Company Information

Directors

A P Bailey
J E Pask
S T Pask

Registered number

09592151

Registered office

c/o Grantham Engineering Limited
Harlaxton Road
Grantham
Lincolnshire
NG31 7SF

Independent auditors

PKF Smith Cooper Audit Limited
Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

JACK HARRIS (GRANTHAM) LIMITED

Contents

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Consolidated analysis of net debt	14
Notes to the financial statements	15 - 29

JACK HARRIS (GRANTHAM) LIMITED

Group strategic report For the Year Ended 30 September 2023

Business review

The Company recovered well from a disappointing previous year despite commodity price pressures and disruptive supply chain. Lead times were reduced and thereafter our ability to meet customer delivery requirements improved and continues to do so. Worldwide capital equipment sales are subdued and expectations of an improvement is not forecast until quarter three 2024. In the meantime, we expect orders to remain unpredictable and we have already started to manage the potential downturn. We continue to roll out our lean manufacturing strategy and identify efficiencies.

Principal risks and uncertainties

Trade debtor credit risk is mitigated by financial monitoring of customers and tight control of payment terms.

We are subject to pressures from overseas competition and the logistical effects still being seen following Brexit.

Good Cashflow is essential and we manage this risk by ensuring sufficient liquidity is available to meet foreseeable future needs.

The Company has exposure to foreign exchange risk due to Euro currency movement. Exchange activity is monitored and hedging agreements are used when future protection against exchange variants are identified.

Financial key performance indicators

Invoiced turnover increased by 16% over the previous year. Export sales accounted for 46% of total sales (2021: 47%) in the year.

Gross Profit decreased by 8% as explained in the Business Review section of this report.

The business remains well funded as it prepares for further future capital investment.

This report was approved by the board and signed on its behalf.



A P Bailey
Director

Date:

23/2/24

JACK HARRIS (GRANTHAM) LIMITED

Directors' report For the Year Ended 30 September 2023

The directors present their report and the financial statements for the year ended 30 September 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dividends

The loss for the year, after taxation, amounted to £9,436 (2022 - loss £411,693).

Dividends of £nil (2022: £nil) were paid during the year.

Directors

The directors who served during the year were:

A P Bailey
J E Pask
S T Pask

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, PKF Smith Cooper Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

JACK HARRIS (GRANTHAM) LIMITED

**Directors' report (continued)
For the Year Ended 30 September 2023**

This report was approved by the board and signed on its behalf.



A P Bailey
Director

Date:

23/2/24

JACK HARRIS (GRANTHAM) LIMITED

Independent auditors' report to the members of Jack Harris (Grantham) Limited

Opinion

We have audited the financial statements of Jack Harris (Grantham) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, 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 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 Group's and of the parent Company's affairs as at 30 September 2023 and of the Group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 Group's or the parent 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 directors with respect to going concern are described in the relevant sections of this report.

JACK HARRIS (GRANTHAM) LIMITED

Independent auditors' report to the members of Jack Harris (Grantham) Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are 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.

Opinion on other matters 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

JACK HARRIS (GRANTHAM) LIMITED

Independent auditors' report to the members of Jack Harris (Grantham) Limited (continued)

Auditors' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Based on our understanding of the Company and industry, we identify laws and regulations affecting the Company. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the Company financial statements.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular stock valuation and stock provisions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' report.

JACK HARRIS (GRANTHAM) LIMITED

Independent auditors' report to the members of Jack Harris (Grantham) Limited (continued)

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 Auditors' 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.



James Bagley (Senior statutory auditor)
for and on behalf of

PKF Smith Cooper Audit Limited
Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date:

23/2/24

JACK HARRIS (GRANTHAM) LIMITED

Consolidated statement of comprehensive income For the Year Ended 30 September 2023

	Note	2023 £	2022 £
Turnover	4	12,476,819	11,436,666
Cost of sales		(10,202,194)	(9,465,029)
Gross profit		2,274,625	1,971,637
Distribution costs		(746,749)	(888,701)
Administrative expenses		(1,666,333)	(1,585,619)
Other operating income	5	156,411	123,681
Operating profit/(loss)	6	17,954	(379,002)
Interest payable and similar expenses	11	(34,307)	(9,392)
Loss before taxation		(16,353)	(388,394)
Tax on loss	12	6,917	(23,299)
Loss for the financial year		(9,436)	(411,693)
Unrealised surplus on revaluation of tangible fixed assets		-	668,791
(Loss) for the year attributable to:			
Owners of the parent Company		(9,436)	(411,693)

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED
Registered number: 09592151

Consolidated balance sheet
As at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	1,845,342	1,908,909
Current assets			
Stocks	16	3,996,927	3,188,795
Debtors: amounts falling due within one year	17	2,812,430	3,460,275
Cash at bank and in hand	18	52,689	27,490
		<u>6,862,046</u>	<u>6,676,560</u>
Creditors: amounts falling due within one year	19	(3,358,093)	(3,152,401)
Net current assets		<u>3,503,953</u>	<u>3,524,159</u>
Total assets less current liabilities		<u>5,349,295</u>	<u>5,433,068</u>
Creditors: amounts falling due after more than one year	20	(206,538)	(297,455)
Provisions for liabilities			
Deferred taxation	22	(121,277)	(104,697)
Net assets		<u><u>5,021,480</u></u>	<u><u>5,030,916</u></u>
Capital and reserves			
Called up share capital	23	43	43
Share premium account	24	499,978	499,978
Revaluation reserve	24	668,791	668,791
Profit and loss account	24	3,852,668	3,862,104
		<u><u>5,021,480</u></u>	<u><u>5,030,916</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A P Bailey
Director

Date: 23/2/24

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED
Registered number: 09592151

Company balance sheet
As at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	15	500,000	500,000
Current assets			
Debtors: amounts falling due within one year	17	21	21
Total assets less current liabilities		500,021	500,021
Net assets		500,021	500,021
Capital and reserves			
Called up share capital	23	43	43
Share premium account	24	499,978	499,978
		500,021	500,021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A P Bailey
Director

Date:

23/2/24

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED

**Consolidated statement of changes in equity
For the Year Ended 30 September 2023**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2021	43	499,978	-	4,273,797	4,773,818
Loss for the year	-	-	-	(411,693)	(411,693)
Surplus on revaluation of other fixed assets	-	-	668,791	-	668,791
At 1 October 2022	43	499,978	668,791	3,862,104	5,030,916
Loss for the year	-	-	-	(9,436)	(9,436)
At 30 September 2023	43	499,978	668,791	3,852,668	5,021,480

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED

**Company statement of changes in equity
For the Year Ended 30 September 2023**

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 October 2021	43	499,978	500,021
At 1 October 2022	43	499,978	500,021
At 30 September 2023	43	499,978	500,021

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED

**Consolidated statement of cash flows
For the Year Ended 30 September 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the financial year	(9,436)	(411,693)
Adjustments for:		
Depreciation of tangible assets	173,565	99,073
Profit on disposal of tangible assets	(6,249)	(37,865)
Interest paid	34,307	9,392
Taxation charge	(6,917)	23,299
(Increase) in stocks	(808,132)	(615,413)
Decrease/(increase) in debtors	671,342	(909,592)
(Decrease)/increase in creditors	(11,006)	573,149
Corporation tax received	-	18,622
Net cash generated from operating activities	37,474	(1,251,028)
Cash flows from investing activities		
Purchase of tangible fixed assets	(109,999)	(677,898)
Sale of tangible fixed assets	6,250	41,050
HP interest paid	(7,270)	(4,846)
Net cash from investing activities	(111,019)	(641,694)
Cash flows from financing activities		
New/(repayment of) finance leases	(88,200)	382,200
Bank interest paid	(27,037)	(4,546)
Net cash used in financing activities	(115,237)	377,654
Net (decrease) in cash and cash equivalents	(188,782)	(1,515,068)
Cash and cash equivalents at beginning of year	(235,835)	1,279,233
Cash and cash equivalents at the end of year	(424,617)	(235,835)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	52,689	27,490
Bank overdrafts	(477,306)	(263,325)
	(424,617)	(235,835)

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED

**Consolidated Analysis of Net Debt
For the Year Ended 30 September 2023**

	At 1 October 2022 £	Cash flows £	At 30 September 2023 £
Cash at bank and in hand	27,490	25,199	52,689
Bank overdrafts	(263,325)	(213,981)	(477,306)
Finance leases	(382,200)	88,200	(294,000)
	<u>(618,035)</u>	<u>(100,582)</u>	<u>(718,617)</u>

The notes on pages 15 to 29 form part of these financial statements.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

1. General information

Jack Harris (Grantham) Limited is a private company limited by shares incorporated in England, United Kingdom. The company registration number and the address of the registered office is given on the Company Information page of these financial statements. The nature of the Group's operations and principal activities are the manufacture and sale of vibratory, sizing, screening, mechanical and electrical products. The principal activity of the Company is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the accounts of Jack Harris (Grantham) Limited and all of its subsidiary undertakings ("subsidiaries") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

In preparing the financial statements on a going concern basis, the Directors have paid due regard to relevant forecast financial information - including cash flows, support from key suppliers and customers, and factored in sensitivities and uncertainties affecting the Group. Further comment has been made in the Strategic Report. In the Directors' opinion, the Group is a going concern for a minimum of twelve months from the date of the approval of the financial statements.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Leasehold improvements	- 10% to 33.33%
Plant and machinery	- 5% to 33.33%
Motor vehicles	- 10% to 33.33%
Fixtures and fittings	- 10% to 33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Revaluation of tangible fixed assets

The revaluation model has been adopted for CNC and HNC controlled manufacturing machines used in the Company's Invicta Vibrator Division machine shop. These assets are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less impairment.

2.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

2.8 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income in other administrative expenses.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

2. Accounting policies (continued)

2.12 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Revenue

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of vibratory, sizing, screening, mechanical and electrical products is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

2.14 Foreign currency translation

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

2.15 Pensions

The Group operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors do not consider there to be any estimates or judgements used in the preparation of the financial statements which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

4. Turnover

An analysis of turnover by geographical location is as follows:

	2023	2022
	£	£
UK	6,828,711	6,137,944
Europe	2,222,511	2,081,105
Rest of the World	3,425,597	3,217,617
	12,476,819	11,436,666

5. Other operating income

	2023	2022
	£	£
Scrap metal sales	104,429	123,681
Design and development income	47,150	-
Grant income	4,832	-
	156,411	123,681

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	173,565	99,073
Other operating lease rentals	45,482	43,865
(Profit)/loss on sale of tangible fixed assets	(6,249)	(37,865)

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	1,060	1,060

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

8. Employees

The average number of monthly employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Monthly	47	48
Weekly	73	75
	120	123

9. Staff costs

Staff costs, including Directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	3,857,022	3,867,032
Social security costs	385,951	396,225
Pension costs	249,147	248,640
	4,492,120	4,511,897

10. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	324,859	334,119
Company contributions to pension schemes	72,497	77,025
	397,356	411,144

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes and to 1 director (2022 - 1) in respect of defined benefit pension schemes.

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	16,703	4,546
Other loan interest payable	10,334	-
Finance leases and hire purchase contracts	7,270	4,846
	34,307	9,392

JACK HARRIS (GRANTHAM) LIMITED

**Notes to the financial statements
For the Year Ended 30 September 2023**

12. Taxation

	2023	2022
	£	£
Corporation tax		
Adjustments in respect of previous periods	(23,497)	(40,213)
Total current tax	(23,497)	(40,213)
Deferred tax		
Origination and reversal of timing differences	(5,317)	50,507
Changes to tax rates	-	13,005
Adjustments in respect of prior periods	21,897	-
Total deferred tax	16,580	63,512
Taxation on (loss)/profit on ordinary activities	(6,917)	23,299

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 22.01% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	<u>(16,353)</u>	<u>(388,394)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.01% (2022 - 19%)	(3,599)	(73,795)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	332	998
Research and development tax credit	-	(23,606)
Adjustments to tax charge in respect of prior periods	(1,600)	(16,607)
Fixed asset timing difference	(1,435)	120,606
Income not taxable for tax purposes	-	(9,462)
Dividends from UK companies	(637)	25,126
Other permanent differences	22	39
Total tax charge for the year	<u>(6,917)</u>	<u>23,299</u>

Factors that may affect future tax charges

From 1 April 2023, the rate of corporation tax in the United Kingdom has increased from 19% to 25%. Companies with profits of £50k or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50k and £250k, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £nil (2022 - £nil).

JACK HARRIS (GRANTHAM) LIMITED

**Notes to the financial statements
For the Year Ended 30 September 2023**

14. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2022	49,527	4,675,883	424,850	1,032,144	6,182,404
Additions	1,075	58,626	-	50,298	109,999
Disposals	-	-	(25,000)	-	(25,000)
At 30 September 2023	<u>50,602</u>	<u>4,734,509</u>	<u>399,850</u>	<u>1,082,442</u>	<u>6,267,403</u>
Depreciation					
At 1 October 2022	2,856	3,080,175	308,632	881,832	4,273,495
Charge for the year on owned assets	4,990	73,096	35,966	28,013	142,065
Charge for the year on financed assets	-	31,500	-	-	31,500
Disposals	-	-	(24,999)	-	(24,999)
At 30 September 2023	<u>7,846</u>	<u>3,184,771</u>	<u>319,599</u>	<u>909,845</u>	<u>4,422,061</u>
Net book value					
At 30 September 2023	<u>42,756</u>	<u>1,549,738</u>	<u>80,251</u>	<u>172,597</u>	<u>1,845,342</u>
At 30 September 2022	<u>46,671</u>	<u>1,595,708</u>	<u>116,218</u>	<u>150,312</u>	<u>1,908,909</u>

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Plant and machinery	582,750	614,250

On 30 September 2022 CNC and HNC controlled manufacturing machines used in the Company's Invicta Vibrator Division machine shop (included within plant and machinery) were valued by Capital Chartered Surveyors and Valuers. The basis of the valuation was fair market value.

If the plant and machinery had not been included at valuation they would have been included under the historical cost convention as follows:

	2023 £	2022 £
Group		
Cost	4,734,509	4,675,883
Accumulated depreciation	(3,860,812)	(3,748,966)
Net book value	873,697	926,917

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2022	500,000
At 30 September 2023	500,000

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Grantham Engineering Limited	Manufacture and sale of vibratory, sizing, screening, mechanical and electrical products	Ordinary	100%
Mogensen Sizers Limited	Dormant	Ordinary	100%
Grantham Electrical Engineering Company Limited	Dormant	Ordinary	100%

All subsidiary companies are incorporated in England, United Kingdom and have the same registered office as that of the parent company.

16. Stocks

	Group 2023 £	Group 2022 £
Raw materials and consumables	3,335,520	2,544,736
Work in progress	488,780	527,053
Finished goods and goods for resale	172,627	117,006
	<u>3,996,927</u>	<u>3,188,795</u>

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	2,654,235	3,298,372	-	-
Other debtors	147,482	120,570	-	-
Called up share capital not paid	21	21	21	21
Prepayments and accrued income	10,692	41,312	-	-
	<u>2,812,430</u>	<u>3,460,275</u>	<u>21</u>	<u>21</u>

JACK HARRIS (GRANTHAM) LIMITED

**Notes to the financial statements
For the Year Ended 30 September 2023**

18. Cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash at bank and in hand	52,689	27,490
Less: bank overdrafts	(477,306)	(263,325)
	<u>(424,617)</u>	<u>(235,835)</u>

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £
Bank overdrafts	477,306	263,325
Trade creditors	2,081,986	2,058,420
Other taxation and social security	118,776	151,252
Obligations under finance lease and hire purchase contracts	87,462	84,745
Other creditors	342,123	312,825
Accruals and deferred income	250,440	281,834
	<u>3,358,093</u>	<u>3,152,401</u>

Bank overdrafts are secured by way of a fixed and floating charge over all assets of the Group.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £
Net obligations under finance leases and hire purchase contracts	206,538	297,455

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

21. Financial instruments

	Group 2023 £	Group 2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,778,220</u>	<u>3,418,942</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,375,986)</u>	<u>(2,440,620)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities that are debt instruments measured at amortised cost comprise trade creditors and obligations under hire purchase contracts.

22. Deferred taxation

Group

	2023 £
At beginning of year	(104,697)
Charged to profit or loss	(16,580)
At end of year	<u><u>(121,277)</u></u>

The deferred taxation balance is made up as follows:

	Group 2023 £	Group 2022 £
Fixed asset timing differences	(379,883)	(380,180)
Tax losses carried forward	240,501	243,904
Other short term timing differences	18,105	31,579
	<u><u>(121,277)</u></u>	<u><u>(104,697)</u></u>

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
4,334 (2022 - 4,334) Ordinary shares of £0.01 each	<u>43</u>	<u>43</u>

24. Reserves

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Revaluation reserve

This reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted, net of excess depreciation over the original purchase cost.

Profit and loss account

This reserve records the retained earnings from the current and previous years net of dividends and other adjustments.

25. Pension commitments

The Group operates a defined contribution pension scheme for its employees. The pension cost for the year represents contributions payable by the Group to the scheme and amounted to £208,690 (2022: £202,904).

Contributions totalling £40,928 (2022: £62,159) were payable to the scheme at the end of the year and are included within accruals.

The Group also makes payments to a personal pension plan in respect of one of the Directors. Contributions made during the year amounted to £40,457 (2022: £45,736). See Note 27 for further details on the scheme.

26. Commitments under operating leases

At 30 September 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	197,785	54,884
Later than 1 year and not later than 5 years	180,917	88,702
	<u>378,702</u>	<u>143,586</u>

JACK HARRIS (GRANTHAM) LIMITED

Notes to the financial statements For the Year Ended 30 September 2023

27. Contingent liabilities

As part of the contract of employment with one of the directors, the Group is committed to providing a pension linked to his final salary. The contributions are made to the director's personal pension scheme not an employer scheme. The contingent liability cannot be measured accurately due to the wide range of assumptions inherently involved. Therefore, no liability has been reported in these financial statements.

Barclays Bank UK PLC hold a fixed and floating charge over all assets of the Group.

28. Related party transactions

During the year ended 30 September 2023 the Group was charged rent by its ultimate controlling party of £145,000 (2022: £145,000).

At the balance sheet date an amount of £179,424 (2022: £188,480) was due to a company under common control respect of a loan. Repayments of £9,056 (2022: £9,360) were made during the year. Interest is charged at 1.9% above base rate for annum and the interest payable for the year was £10,334 (2022: £4,768).

During the year, an amount of £420,000 was advanced to the Group by the above related party and an amount of £400,000 was repaid. As at the balance sheet date, an amount of £120,000 (2022: £100,000) was outstanding and is included in creditors. No interest is charged on this loan and it is repayable on demand.

The Group also charged the above related party management charges of £30,000 (2022: £30,000) during the year. An amount of £30,000 (2022: £30,000) was due to the Group at the balance sheet date.

All directors who have authority and responsibility for planning, directing and controlling activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £779,187 (2022: £789,512).

29. Controlling party

The ultimate controlling party is the C S Pask Trust.