

Turnbull and Company Limited

Registered number: 00536685

Annual report and financial statements

For the year ended 31 December 2021



TURNBULL AND COMPANY LIMITED

COMPANY INFORMATION

Directors	G J Hopkins C E Hopkins M P Hopkins S J Vickers
Registered number	00536685
Registered office	95 Southgate Sleaford Lincolnshire NG34 7RQ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP
Bankers	HSBC Bank plc 26 Market Place Sleaford Lincolnshire NG34 7SB

TURNBULL AND COMPANY LIMITED

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TURNBULL AND COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the strategic report and financial statements for the year ended 31 December 2021.

Business review

Sales for the year to 31 December 2021 were £59.50m (2020 - £45.15m). Gross margin increased to 28.0% (2020 - 27.4%). Operating Profit increased to £4.39m (2020 - £2.48m). Profit before tax increased to £4.30m (2020 - £2.41m), up 78% on the previous year. At 31 December 2021 net assets were £7.3m (2020 - £6.2m).

Directors' statement of compliance with duty to promote the success of the Company

This Section 172 statement explains how the Directors:

- have engaged with employees, suppliers, customers and others, and
- have had regard to employee interests, the need to foster the Company's business relationships with suppliers, customers and others, and the effect of these.

When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in so doing they have regard (among other matters) to:

The likely consequences of any decision in the long term

As a business founded in 1895, and still prospering in 2021, our longevity demonstrates a commitment to the long-term through successive generations. It is embedded within our culture that we work hard for our customers, look after our employees, and make decisions for the long term.

The interests of the Company's employees

The Directors recognise that our employees are fundamental to the success of our business; having great employees depends upon our ability to attract, retain, and motivate them. From pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce.

The need to foster the Company's business relationships with suppliers, customers and others

In order to succeed, we need strong, mutually beneficial relationships with suppliers, customers and our bank. These relationships are based on trust and openness, principles that have served us well over the years. Where we can, we try to build those relationships at a local level and go far beyond a transactional relationship.

Our community and environment

We are a family-run company with roots in Sleaford and support the communities across the region we serve. We aim to supply environmentally sustainable products thereby enabling our customers to comply with current building regulations. The Directors regularly review opportunities to reduce environmental impact.

TURNBULL AND COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings and other borrowings where necessary to fund expansion or capital expenditure programmes.

In respect of the bank balance, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business's cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from directors and from financial institutions. The interest rates and monthly repayments on the loans from institutions are both fixed and variable depending on the loan. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet payments. The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the Company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with future cash flows expected to arise from the Company's trading activities.


Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being turnover and profit margins.

Covid-19

The Board has and are continuing to fully assess the impact of the outbreak of COVID-19 on all areas of its business. This includes ongoing and continuing discussions with all of the business' key stakeholders. As part of this process, the Directors have been assessing the likely trading levels of the Company for the foreseeable future and evaluating if the business has adequate financial and non-financial resources available to continue to trade profitably, without significant disruption, and meet its liabilities as and when they fall due.

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


G J Hopkins (Jun 7, 2022 20:54 GMT+1)

G J Hopkins
Director

Date: Jun 7, 2022

TURNBULL AND COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £3,327,286 (2020 - £1,886,266).

Dividends of £2,215,000 (2020 - £Nil) were paid during the year.

Directors

The Directors who served during the year were:

G J Hopkins
C E Hopkins
M P Hopkins
S J Vickers

Invasion of Ukraine and Russian sanctions

The Company does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

TURNBULL AND COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

After reviewing the Company's forecasts and projections, the Directors have reasonable expectation that the Company can remain a viable, going concern for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Future developments

The economic signs are that the business environment in which we operate is improving and we expect to build on the successes of previous financial years.

Streamlined Energy and Carbon Reporting ('SECR')

As permitted by The Companies (Directors Report) and limited Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR requirements'), the Company is exempt from disclosing separate energy use and emissions information in its annual report as these are included within the parent company's energy use and emissions reporting on a Group basis. The information is reported within the directors' report of its parent undertaking, Hopkins Group Limited.

Matters covered in the strategic report

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out in the Strategic Report certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Disclosure of information to auditor

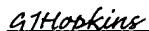
Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

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

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


G J Hopkins (Jun 7, 2022 20:54 GMT+1)

G J Hopkins
Director

Date: Jun 7, 2022

TURNBULL AND COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURNBULL AND COMPANY LIMITED

Opinion

We have audited the financial statements of Turnbull and Company Limited (the 'Company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "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 December 2021 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 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 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.

TURNBULL AND COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURNBULL AND COMPANY LIMITED

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 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.

Opinions 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 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 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 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

TURNBULL AND COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURNBULL AND COMPANY LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

TURNBULL AND COMPANY LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TURNBULL AND COMPANY LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

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 auditor's report.

Use of the audit 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.


Bob Johnson (Jun 7, 2022 22:02 GMT+1)

Paul Johnson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Jun 7, 2022

TURNBULL AND COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	59,495,257	45,145,213
Cost of sales		(42,834,637)	(32,756,399)
Gross profit		16,660,620	12,388,814
Distribution costs		(2,519,612)	(1,937,698)
Administrative expenses		(9,777,451)	(8,573,185)
Other operating income	5	27,748	601,320
Operating profit	6	4,391,305	2,479,251
Interest receivable and similar income	10	549	22,108
Interest payable and expenses	11	(94,586)	(88,593)
Profit before tax		4,297,268	2,412,766
Tax on profit	12	(969,982)	(526,500)
Profit for the financial year		3,327,286	1,886,266
Other comprehensive income		-	-
Total comprehensive income for the year		3,327,286	1,886,266

The notes on pages 12 to 26 form part of these financial statements.

TURNBULL AND COMPANY LIMITED
REGISTERED NUMBER: 00536685

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,424,101	3,709,522
Investments	15	100	100
		<u>3,424,201</u>	<u>3,709,622</u>
Current assets			
Stocks	16	6,944,017	4,610,373
Debtors	17	9,988,478	8,032,577
Cash at bank and in hand	18	2,760	2,460
		<u>16,935,255</u>	<u>12,645,410</u>
Creditors: Amounts falling due within one year	19	(12,461,370)	(9,802,872)
Net current assets		<u>4,473,885</u>	<u>2,842,538</u>
Total assets less current liabilities		<u>7,898,086</u>	<u>6,552,160</u>
Creditors: Amounts falling due after more than one year	20	(198,412)	(87,682)
Provisions for liabilities			
Deferred tax	22	(389,836)	(266,926)
Net assets		<u><u>7,309,838</u></u>	<u><u>6,197,552</u></u>
Capital and reserves			
Called up share capital	23	14,000	14,000
Capital redemption reserve	24	100	100
Profit and loss account	24	7,295,738	6,183,452
		<u><u>7,309,838</u></u>	<u><u>6,197,552</u></u>

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

G J Hopkins
G J Hopkins (Jun 7, 2022 20:54 GMT+1)

G J Hopkins
Director

Date: Jun 7, 2022

The notes on pages 12 to 26 form part of these financial statements.

TURNBULL AND COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	14,000	100	6,183,452	6,197,552
Comprehensive income for the year				
Profit for the year	-	-	3,327,286	3,327,286
Dividends	-	-	(2,215,000)	(2,215,000)
At 31 December 2021	14,000	100	7,295,738	7,309,838

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	14,000	100	4,297,186	4,311,286
Comprehensive income for the year				
Profit for the year	-	-	1,886,266	1,886,266
At 31 December 2020	14,000	100	6,183,452	6,197,552

The notes on pages 12 to 26 form part of these financial statements.

TURNBULL AND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Turnbull and Company Limited is a private limited company, limited by shares, and is registered in England.

Its registered office address is 95 Southgate, Sleaford, Lincolnshire, NG34 7RQ. Its Company registered number is 00536685.

The principal activity of the Company during the year was the merchanting of building and plumbing materials.

The financial statements have been presented in Pound Sterling (£) as this is currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hopkins Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 Going concern

After reviewing the Company's forecasts and projections, the Directors have reasonable expectation that the Company can remain a viable, going concern for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the the statement of comprehensive income, 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 reporting date.

Deferred 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 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 on assets is charged so as to allocate the cost of assets less their residual value over their remaining estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	- over the term of the lease
improvements	
Plant, vehicles and equipment	- 15% - 33% straight line/reducing balance

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Nonfinancial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in the statement of comprehensive income.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.19 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders.

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

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

For judgements made around the value of stock provisions and bad debt provisions see notes 2.14 and 2.15 respectively.

The Directors have not identified any key sources of estimation uncertainty in preparing these financial statements.

4. Turnover

All turnover arose within the United Kingdom and has been derived from the principal activity.

5. Other operating income

	2021 £	2020 £
Rental income	1,020	1,000
Grant income	26,728	600,320
	<u>27,748</u>	<u>601,320</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	531,187	455,848
Loss/(profit) on disposal of tangible fixed assets	6,557	(13,755)
Impairment of tangible fixed assets	524,150	-
Other operating lease rentals	908,683	832,361
Defined contribution pension cost	425,270	380,028
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	23,450	13,000
	<u> </u>	<u> </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

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

	2021 £	2020 £
Wages and salaries	5,957,191	5,469,534
Social security costs	562,892	498,586
Cost of defined contribution scheme	425,270	380,028
	<u>6,945,353</u>	<u>6,348,148</u>

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

	2021 No.	2020 No.
Distribution staff	173	166
Management staff	32	32
	<u>205</u>	<u>198</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	462,397	512,477
Company contributions to defined contribution pension schemes	47,713	38,765
	<u>510,110</u>	<u>551,242</u>

During the year retirement benefits were accruing to 2 Directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration, excluding pension contributions, of £168,376 (2020 - £148,920).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £32,469 (2020 - £23,521).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	549	22,108
	<u>549</u>	<u>22,108</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	3,709	27,525
Other loan interest payable	80,884	55,317
Finance leases and hire purchase contracts	9,993	5,751
	<u>94,586</u>	<u>88,593</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	914,056	414,615
Adjustments in respect of previous periods	(66,984)	11,645
Total current tax	<u>847,072</u>	<u>426,260</u>
Deferred tax		
Origination and reversal of timing differences	85,204	80,629
Adjustments in respect of previous periods	(35,406)	-
Effect of tax rate change on opening balance	73,112	19,611
Total deferred tax	<u>122,910</u>	<u>100,240</u>
Taxation on profit on ordinary activities	<u>969,982</u>	<u>526,500</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19%(2019 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>4,297,268</u>	<u>2,412,766</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	816,481	458,426
Effects of:		
Expenses not deductible for tax purposes	75,400	1,993
Depreciation for year in excess of capital allowances	86,930	36,233
Adjustments to tax charge in respect of prior periods	(102,390)	11,645
Non-taxable income	-	(1,408)
Remeasurement of deferred tax for changes in tax rates	93,561	19,611
Total tax charge for the year	<u>969,982</u>	<u>526,500</u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Dividends

	2021 £	2020 £
Interim dividends	2,215,000	-

14. Tangible fixed assets

	Leasehold property improvements £	Plant, vehicles and equipment £	Total £
Cost or valuation			
At 1 January 2021	2,569,860	3,964,168	6,534,028
Additions	14,554	763,420	777,974
Disposals	(44,633)	(175,811)	(220,444)
At 31 December 2021	2,539,781	4,551,777	7,091,558
Depreciation			
At 1 January 2021	503,773	2,320,733	2,824,506
Charge for the year	145,878	385,309	531,187
Disposals	(44,633)	(167,753)	(212,386)
Impairment charge	524,150	-	524,150
At 31 December 2021	1,129,168	2,538,289	3,667,457
Net book value			
At 31 December 2021	1,410,613	2,013,488	3,424,101
At 31 December 2020	2,066,087	1,643,435	3,709,522

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

	2021 £	2020 £
Plant, vehicles and equipment	530,357	281,135

The depreciation charged in respect of these assets amounted to £107,424 (2020 - £88,130).

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021	100
At 31 December 2021	<u>100</u>

16. Stocks

	2021 £	2020 £
Goods for resale	<u>6,944,017</u>	<u>4,610,373</u>

17. Debtors

	2021 £	2020 £
Trade debtors	9,517,273	7,253,861
Amounts owed by group undertakings	-	41,026
Other debtors	11,882	444,893
Prepayments and accrued income	<u>459,323</u>	<u>292,797</u>
	<u>9,988,478</u>	<u>8,032,577</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

18. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,760	2,460
Less: bank overdraft (note 19)	<u>(133,876)</u>	<u>(825,836)</u>
	<u>(131,116)</u>	<u>(823,376)</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	133,876	825,836
Trade creditors	8,692,933	6,541,117
Amounts owed to group undertakings	793,087	-
Corporation tax	372,462	230,624
Other taxation and social security	802,091	922,914
Obligations under finance leases (note 21)	147,915	91,652
Other creditors	889,608	581,542
Accruals and deferred income	629,398	609,187
	<u>12,461,370</u>	<u>9,802,872</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The following liabilities were secured:

	2021 £	2020 £
Bank overdrafts	133,876	825,836
Obligations under finance leases	147,915	91,652
	<u>281,791</u>	<u>917,488</u>

The bank overdraft is secured by a first legal charge over the Company's freehold properties; a debenture comprising fixed and floating charges over all the assets and undertakings of the Group including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

The obligations under finance leases are secured on the relevant assets.

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

	2021 £	2020 £
Obligations under finance leases (note 21)	197,412	86,682
Share capital treated as debt (note 23)	1,000	1,000
	<u>198,412</u>	<u>87,682</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	147,915	91,652
Between 1-5 years	197,412	86,682
	<u>345,327</u>	<u>178,334</u>

22. Deferred taxation

	2021 £	2020 £
At beginning of year	(266,926)	(166,686)
Charged to profit or loss	(122,910)	(100,240)
At end of year	<u>(389,836)</u>	<u>(266,926)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(437,748)	(302,103)
Short term timing differences	47,912	35,177
	<u>(389,836)</u>	<u>(266,926)</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
14,000 (2020 - 14,000) Ordinary shares of £1 each	14,000	14,000
	<u> </u>	<u> </u>
	2020 £	2020 £
Shares classified as debt		
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Preference shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

The Ordinary shares hold full dividend and voting rights.

The shares classed as financial liabilities are preference shares, which are non-redeemable and have the right to receive dividends but have no voting rights and no right to distribution on wind-up of the Company.

24. Reserves**Capital redemption reserve**

The capital redemption reserve represents the nominal value of shares repurchased by the Company.

Profit & loss account

The profit and loss account represents profits and losses retained in the current and previous periods.

25. Contingent liabilities

The Company is party to a cross guarantee relating to the Hopkins Group Limited total bank borrowing, limited to £1,225,669 (2020 - £1,335,552).

26. Capital commitments

At 31 December 2021 the Company had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided in these financial statements	606,013	142,255
	<u> </u>	<u> </u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £425,270 (2020 - £380,028). There was £41,648 (2020 - £48,293) payable to the fund at the balance sheet date which was included within other creditors.

28. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	959,406	856,914
Later than 1 year and not later than 5 years	1,902,488	2,171,434
Later than 5 years	1,830,364	1,918,846
	<u>4,692,258</u>	<u>4,947,194</u>

29. Related party transactions

The Company is exempt under the provisions of FRS 102 from disclosing related party transactions with other companies that are wholly owned within the Group.

The Company rents property owned by Turnbills Executive Pension Scheme. The trustees of the pension scheme are Directors of the Company. An annual rent of £161,500 (2020 - £160,875) was paid to the pension scheme.

Included within other debtors are amounts due from Rauceby Developments Limited, a company under common control with the Directors of Turnbull and Company Limited. The Company was repaid £457,569 (2020 - £948,800) and loaned £24,558 (2020 - £Nil) from/to Rauceby Developments Limited during the year and the balance outstanding at the year end was £11,882 (2020 - £444,893). Interest is charged at 3% over The Bank of England Base Rate.

The following balances were owed by the Directors at the year end as creditor balances:

	2021 £	2020 £
S J Vickers	<u>53,247</u>	<u>27,526</u>

TURNBULL AND COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

29. Related party transactions (continued)

Interest is accrued at 10% on the first £50,000 of the above balances and interest is then charged at 5% over The Bank of England Base Rate.

Other creditors include £160,814 (2020 - £53,251) owed to family members of the Directors, and non-director shareholders. The loans are accruing interest at a rate of 10% capped to £50,000 and interest is then charged at 5% over The Bank of England Base Rate.

The charge for the year included in the profit and loss account on these loans is £80,884 (2020 - £55,317).

Key management personnel

Key management personnel are defined as the Directors of the Company. The aggregate compensation payable to key management personnel during the year is therefore disclosed within note 9 to the financial statements.

Aggregate compensation payable to family members of key management personnel during the year was £329,671 (2020 - £297,683).

30. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

31. Ultimate parent undertaking and controlling party

Hopkins Group Limited, a company incorporated in England & Wales is the immediate and ultimate parent undertaking and heads the smallest and largest group in which these financial statements are consolidated. Hopkins Group Limited's registered office is 95 Southgate, Sleaford, Lincolnshire, NG34 7RQ. Copies of the consolidated financial statements are available from Companies House.

The ultimate controlling party is considered to be the Directors of Hopkins Group Limited by virtue of their interest in the issued share capital of that company.