Company registration number 00640876 (England and Wales)

FERGUSONS BLYTH LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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FERGUSONS BLYTH LIMITED

COMPANY INFORMATION

Directors	A Ferguson H Whitaker S Whitaker E Ferguson
Secretary	H Whitaker
Company number	00640876
Registered office	Northumberland Business Park West Cramlington Northumberland NE23 7RH
Auditor	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne Tyne and Wear NE1 6JG
Solicitors	O'Neill Richmonds 1-2 Lansdowne Terrace East Gosforth Newcastle upon Tyne NE3 1HL

FERGUSONS BLYTH LIMITED

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FERGUSONS BLYTH LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**5**		3,241,712		3,881,018
Investment properties	**6**		36,536,587		31,402,857
Investments	**7**		3		3
			39,778,302		35,283,878
Current assets					
Stocks		431,155		416,075	
Debtors		966,530		859,869	
Cash at bank and in hand		24,032		13,233	
		1,421,717		1,289,177	
Creditors: amounts falling due within one year		(10,647,498)		(18,975,200)	
Net current liabilities			(9,225,781)		(17,686,023)
Total assets less current liabilities			30,552,521		17,597,855
Creditors: amounts falling due after more than one year			(10,138,848)		(451,508)
Provisions for liabilities			(3,535,226)		(2,651,383)
Deferred income			(18,130)		(33,670)
Net assets			16,860,317		14,461,294
Capital and reserves					
Called up share capital	**10**		106,150		106,150
Share premium account			61,500		61,500
Non-distributable reserves	**11**		12,481,727		9,880,179
Profit and loss reserves			4,210,940		4,413,465
Total equity			16,860,317		14,461,294

In accordance with section 444 of the Companies Act 2006, all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (SI 2008/409)(b).
The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

FERGUSONS BLYTH LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:

A Ferguson
Director

Company Registration No. 00640876

1 Accounting policies

Company information
Fergusons Blyth Limited is a private company limited by shares incorporated in England and Wales. The registered office is Northumberland Business Park West, Cramlington, Northumberland, NE23 7RH.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

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

The company has and will continue to receive financial support from its related parties and connected companies.

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

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

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

1.4 Intangible fixed assets other than goodwill
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Basic Payment Entitlements	20% Straight Line

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

1 Accounting policies **(Continued)**

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

Land & Buildings Freehold	Nil and 2% Straight line
Assets under construction	Nil
Fixtures, Fittings and Equipment	
Self Store Fixtures, Fittings and Equipment	5-10% Straight Line
Fixtures and Fittings	10-25% Straight Line
Plant and Machinery	15% Reducing Balance
Head Office Integral Fixtures and Fittings	2% Straight Line
Head Office Furnishings and Fittings	25% Straight Line
Biomass	15% Reducing Balance
PV Panels	5% Straight Line
Ground Source Heat Pump	5% Straight Line
Computer equipment	20-50% Straight line
Motor Vehicles	25% Reducing Balance

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

1.6 Investment properties

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

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

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

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

1 Accounting policies **(Continued)**

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

1.9 Stocks

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

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

1.10 Cash at bank and in hand

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

1.12 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 Taxation

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

Current tax

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

Deferred tax

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

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

1 Accounting policies **(Continued)**

1.14 Employee benefits

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

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

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

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

1.16 Government grants

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment Property valuation

Investment property is measured at fair value at each reporting date with changes in fair value recognised in profit or loss account. The Board of Directors determine the fair value of investment property using the assistance of an independent expert, Knight Frank. Knight Frank is an independent firm of Chartered Surveyors and property experts. Their valuation is prepared in accordance with RICS Global Valuations Standards 2017 which incorporate the International Valuation Standards, and the RICS UK National Supplement effective from January 2019. The valuation methodology considers the area, selling price and condition of similar properties in order to derive the Fair Value of the subject property.

3 Employees

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

	2022 Number	2021 Number
Total	44	39

4 Intangible fixed assets

	Total £
Cost	
At 1 October 2021 and 30 September 2022	20,330
Amortisation and impairment	
At 1 October 2021 and 30 September 2022	20,330
Carrying amount	
At 30 September 2022	-
At 30 September 2021	-

5 Tangible fixed assets

	Total
	£
Cost	
At 1 October 2021	6,154,302
Additions	148,678
Disposals	(596,737)
At 30 September 2022	5,706,243
Depreciation and impairment	
At 1 October 2021	2,273,284
Depreciation charged in the year	243,318
Eliminated in respect of disposals	(52,071)
At 30 September 2022	2,464,531
Carrying amount	
At 30 September 2022	3,241,712
At 30 September 2021	3,881,018

6 Investment property

	2022
	£
Fair value	
At 1 October 2021	31,402,857
Additions	1,665,000
Revaluations	3,468,730
At 30 September 2022	36,536,587

All investment properties are valued at their open market value. The majority of investment properties were revalued during the year in September 2022, April 2022 and January 2022 by Knight Frank LLP with the remaining property's value not deemed to be materially different to purchase price paid for it during the year to 30 September 2022. Knight Frank LLP valued the properties, as at the valuation date, at market value, as defined by the Royal Institution of Chartered Surveyors Valuation Standards.

The directors have considered the market valuations of the properties at 30 September 2022 and revalued them to what they believe to be open market value.

The historical cost of the investment properties is £21,049,307 (2021 £19,384,307).

7 Fixed asset investments

	2022	2021
	£	£
Shares in group undertakings and participating interests	3	3

8 Secured loans and overdrafts

	2022	2021
	£	£
Bank loans	16,273,385	13,126,559
Payable within one year	6,192,229	12,959,360
Payable after one year	10,081,156	167,199

The bank loans and overdrafts are secured via fixed and floating charges on the majority of the assets of the company.

Included within loans payable after one year are balances payable by instalments of £34,940 (2021 £52,421) which are payable after five years.

Included within loans payable within one year, is an amount of £5.7 million. Since the year end. new loan facilities have been approved by HSBC which will result in this amount being payable over a 15 year amortising profile.

9 Finance lease obligations

	2022	2021
Liabilities due under finance leases are as follows:	£	£
Within one year	14,183	71,830
In two to five years	57,692	7,059
	71,875	78,889

All liabilities under hire purchase agreements are secured against the assets to which they relate.

10 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
106,150 Ordinary shares of £1 each	106,150	106,150

11 Non-distributable reserves

	2022	2021
	£	£
At beginning of year	9,880,179	8,413,129
Transfer to/from retained earnings	2,601,548	1,467,049
At end of year	12,481,727	9,880,178

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Roseanne Bennett FCA
Statutory Auditor:	Greaves West & Ayre

13 Financial commitments, guarantees and contingent liabilities

The company is party to a multilateral guarantee given by Fergusons Transport Limited, Fergytrux Limited, Fergyprops Limited, Fergusons Blyth Limited, Ad Gefrin Distillery Limited and Ad Gefrin LLP to secure the bank borrowings of the Fergusons groups of companies.

14 Events after the reporting date

Since the year end dividends of £1,061,500 have been declared which will be paid out of the company's reserves in the year to 30 September 2023.