

COMPANY NUMBER 00015793

**JOSEPH AND JESSE SIDDONS
LIMITED**

Annual Report and Financial Statements

Year Ended

30 June 2019

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JOSEPH AND JESSE SIDDONS LIMITED

COMPANY INFORMATION

Directors	Andrew Siddons Neil Dalton Alec Siddons
Company secretary	Neil Dalton
Registered number	00015793
Registered office	Siddons Factory Estate Howard Street Hill Top West Bromwich West Midlands B70 0TB
Independent auditors	BDO LLP Chartered Accountants & Registered Auditors 2 Snow Hill Queensway Birmingham B4 6GA

JOSEPH AND JESSE SIDDONS LIMITED

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JOSEPH AND JESSE SIDDONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

Introduction

The principal activity of the group is the manufacture of grey iron, ductile iron and steel castings, and the operation of industrial estates.

Business review

Falling demand from existing customers led to a decline in turnover which combined with continuing rises in raw materials, consumables and labour costs have led to margins being eroded.

Occupancy levels on the properties remained high throughout the year.

Going concern

The directors have considered the financial position of the group which shows healthy reserves and cash balances. They have not identified any material uncertainties that may cast significant doubt over the ability of the group to continue as a going concern for the feasible future, which is deemed to be at least 12 months from the date of signing of these accounts. In forming their opinion, they have considered current and anticipated turnover, profit and cashflows.

Financial key performance indicators

The directors of the company monitor its performance by reference to the following key performance indicators:

Turnover - The turnover for the year was £6,716K (2018: £7,803K) which is a decrease of £1,087K (13.9%) on the previous year's turnover. This is a result of the decline in business volumes from existing customers especially in the second half of the financial year.

Operating profit - The operating profit for the year was £473K (2018: £904K) which is a decrease of £431K (47.7%) on the previous year. Profits levels suffered as demand from major customers declined, together with increases in raw materials, consumables and labour costs combined with inherent production inefficiencies of operating below optimum capacity have resulted in a significant reduction in the operating profit generated.

Future developments

The continuing uncertainty in both the European and UK economies will have the main effect on our performance, and the impact of Brexit is yet to be determined. While seeking new work from both existing and new customers to increase our market share, we will concentrate on expanding our customer base to reduce the dependence on individual customers. However we are still reliant on a stable and growing economy. To secure the long term success of the foundries we have started capital investments to improve efficiency in the manufacturing process.

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



Neil Dalton
Director

Date: 13 September 2019

JOSEPH AND JESSE SIDDON'S LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the financial statements for the year ended 30 June 2019.

Results and dividends

The profit for the year, after taxation, amounted to £386,062 (2018 - £973,541).

The directors are pleased to proposed a final dividend of £15 per share (2018 - £42 per share).

Directors

The directors who served during the year were:

Andrew Siddons
Neil Dalton
Alec Siddons

Retirement of directors

Mr N G Dalton is proposed for re-appointment at the annual general meeting.

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.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place. The auditors, BDO 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.



Neil Dalton
Director

Date: 13 September 2019

JOSEPH AND JESSE SIDDONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

JOSEPH AND JESSE SIDDONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOSEPH AND JESSE SIDDONS LIMITED

Opinion

We have audited the financial statements of Joseph and Jesse Siddons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and 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 June 2019 and of the group's 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

JOSEPH AND JESSE SIDDONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOSEPH AND JESSE SIDDONS LIMITED (CONTINUED)

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 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.

JOSEPH AND JESSE SIDDONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOSEPH AND JESSE SIDDONS
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 financial statements.

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.

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.



Sukhjinder Aulak (Senior statutory auditor)

for and on behalf of
BDO LLP

Chartered Accountants
Registered Auditors

2 Snow Hill
Queensway
Birmingham
B4 6GA

13 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

JOSEPH AND JESSE SIDDONS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	6,716,436	7,803,165
Cost of sales		(5,466,160)	(6,009,600)
Gross profit		1,250,276	1,793,565
Administrative expenses		(1,666,948)	(1,606,777)
Exceptional administrative expenses	14	-	(145,306)
Other operating income	5	889,880	862,811
Operating profit		473,208	904,293
Interest receivable and similar income	9	15,012	9,379
Interest payable and expenses		(447)	(447)
Fair value movement		-	200,000
Profit before taxation		487,773	1,113,225
Tax on profit	11	(101,711)	(139,684)
Profit for the financial year		386,062	973,541
Total comprehensive income for the year		386,062	973,541

The notes on pages 14 to 33 form part of these financial statements.

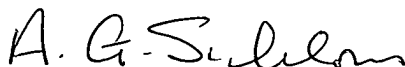
JOSEPH AND JESSE SIDDONS LIMITED
REGISTERED NUMBER: 00015793

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	3,483,123	3,116,399
Investment property	16	6,800,000	6,800,000
		<u>10,283,123</u>	<u>9,916,399</u>
Current assets			
Stocks	17	401,074	459,451
Debtors: amounts falling due within one year	18	2,022,364	2,510,465
Cash at bank and in hand	19	2,173,919	2,390,192
		<u>4,597,357</u>	<u>5,360,108</u>
Creditors: amounts falling due within one year	21	(1,094,528)	(1,501,950)
Net current assets		<u>3,502,829</u>	<u>3,858,158</u>
Total assets less current liabilities		<u>13,785,952</u>	<u>13,774,557</u>
Creditors: amounts falling due after more than one year	22	(12,760)	(12,760)
Provisions for liabilities			
Deferred taxation	24	(915,624)	(847,043)
Net assets		<u><u>12,857,568</u></u>	<u><u>12,914,754</u></u>
Capital and reserves			
Called up share capital	25	85,240	85,240
Revaluation reserve	26	2,729,603	2,729,603
Profit and loss account	26	10,042,725	10,099,911
		<u><u>12,857,568</u></u>	<u><u>12,914,754</u></u>

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

Andrew Siddons
Director



Date: 13 September 2019

The notes on pages 14 to 33 form part of these financial statements.

JOSEPH AND JESSE SIDDONS LIMITED
REGISTERED NUMBER: 00015793

COMPANY BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	3,457,198	3,077,526
Investments		1,001	1,001
Investment property	16	6,800,000	6,800,000
		<u>10,258,199</u>	<u>9,878,527</u>
Current assets			
Stocks	17	359,947	426,474
Debtors: amounts falling due within one year	18	2,009,674	2,498,142
Cash at bank and in hand	19	2,172,780	2,388,468
		<u>4,542,401</u>	<u>5,313,084</u>
Creditors: amounts falling due within one year	21	(1,568,771)	(1,908,350)
Net current assets		<u>2,973,630</u>	<u>3,404,734</u>
Total assets less current liabilities		<u>13,231,829</u>	<u>13,283,261</u>
Creditors: amounts falling due after more than one year	22	(12,760)	(12,760)
Provisions for liabilities			
Deferred taxation	24	(913,815)	(843,038)
Net assets		<u><u>12,305,254</u></u>	<u><u>12,427,463</u></u>

JOSEPH AND JESSE SIDDONS LIMITED
REGISTERED NUMBER: 00015793

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2019

	Note	30 June 2019 £	30 June 2018 £
Capital and reserves			
Called up share capital	25	85,240	85,240
Revaluation reserve	26	2,729,603	2,729,603
Profit and loss account	26	9,490,411	9,612,620
		<u>12,305,254</u>	<u>12,427,463</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2019.

Andrew Siddons
Director



The notes on pages 14 to 33 form part of these financial statements.

JOSEPH AND JESSE SIDDONS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	85,240	2,729,603	10,099,911	12,914,754
Comprehensive income for the year				
Profit for the year	-	-	386,062	386,062
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	386,062	386,062
Dividends: Equity capital	-	-	(443,248)	(443,248)
Total transactions with owners	-	-	(443,248)	(443,248)
At 30 June 2019	85,240	2,729,603	10,042,725	12,857,568

The notes on pages 14 to 33 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	85,240	2,729,603	9,467,330	12,282,173
Comprehensive income for the year				
Profit for the year	-	-	973,541	973,541
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	973,541	973,541
Dividends: Equity capital	-	-	(340,960)	(340,960)
Total transactions with owners	-	-	(340,960)	(340,960)
At 30 June 2018	85,240	2,729,603	10,099,911	12,914,754

The notes on pages 14 to 33 form part of these financial statements.

JOSEPH AND JESSE SIDDONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	85,240	2,729,603	9,612,620	12,427,463
Profit for the year	-	-	321,039	321,039
Total comprehensive income for the year	-	-	321,039	321,039
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(443,248)	(443,248)
At 30 June 2019	85,240	2,729,603	9,490,411	12,305,254

The notes on pages 14 to 33 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	85,240	2,729,603	9,031,405	11,846,248
Profit for the year	-	-	922,175	922,175
Total comprehensive income for the year	-	-	922,175	922,175
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(340,960)	(340,960)
At 30 June 2018	85,240	2,729,603	9,612,620	12,427,463

The notes on pages 14 to 33 form part of these financial statements.

JOSEPH AND JESSE SIDDONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	386,062	973,541
Adjustments for:		
Depreciation of tangible assets	270,019	260,298
Loss on disposal of tangible assets	(7,923)	(14,640)
Interest paid	447	447
Interest received	(9,377)	(9,376)
Taxation charge	101,711	139,684
Decrease/(increase) in stocks	58,377	(36,918)
Decrease/(increase) in debtors	556,551	(789,724)
(Decrease)/increase in creditors	(321,720)	240,854
Net fair value losses/(gains) recognised in P&L	-	(200,000)
Corporation tax (paid)	(187,280)	(261,082)
Net cash generated from operating activities	846,867	303,084
Cash flows from investing activities		
Purchase of tangible fixed assets	(638,552)	(148,385)
Sale of tangible fixed assets	9,732	14,640
Net cash from investing activities	(628,820)	(133,745)
Cash flows from financing activities		
Dividends paid	(443,248)	(340,960)
Interest paid	(447)	(447)
Associates interest paid	9,375	9,378
Net cash used in financing activities	(434,320)	(332,029)
Net (decrease) in cash and cash equivalents	(216,273)	(162,690)
Cash and cash equivalents at beginning of year	2,390,192	2,552,882
Cash and cash equivalents at the end of year	2,173,919	2,390,192
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,173,919	2,390,192
	2,173,919	2,390,192

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Company information

Joseph and Jesse Siddons Limited is a private company, limited by shares, incorporated in England and Wales and domiciled in the United Kingdom (registered number: 00015793). The principal activity of the group is the manufacture of grey iron, ductile iron and steel castings, and the operation of industrial estates.

Their registered address of operations is:

Siddons Factory Estate
Howard Street
Hill Top
West Bromwich
West Midlands
B70 0TB

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 are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

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

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 consolidated financial statements incorporate the financial statements of Joseph and Jesse Siddons Limited and its subsidiaries made up to 30 June 2019.

2.3 Turnover

The turnover shown in the statement of comprehensive income account represents the amounts dispatched during the year, exclusive of Value Added Tax.

2.4 Interest income

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

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.5 Pensions

The group operates a number of defined contribution pension schemes for its directors and all eligible employees. The scheme funds are administered by trustees independently of the group's finances and therefore no commitment exists other than normal annual contributions.

2.6 Current and deferred taxation

Provision is made, under the full provision method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for on a full provision basis.

2.7 Research and development

Research and development expenditure is written off during the year it is incurred.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.9 Tangible fixed assets

All fixed assets are initially recorded at cost.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Freehold land and buildings were valued by Bulleys Chartered Surveyors on 25 June 2015. This valuation will be treated as "deemed cost" under the transitional provision of FRS102.

Depreciation is provided on the following basis:

Freehold buildings	- 4% Original cost
Plant and machinery	- 12.5%/25% Original cost
Motor vehicles	- 25% Original cost
Office/Computer equipment	- 12.5%/25% Original cost

Assets under construction are not depreciated until construction is complete and the assets are brought into use.

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 within administration costs in the consolidated statement of comprehensive income.

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.10 Investment properties

Investment properties are included within the balance sheet at the market value, determined by the directors. In accordance with Section 16 of FRS 102 these properties are not depreciated and are revalued on an annual basis.

The value of investment properties is based on the yield percentage for each property individually. This percentage is verified by independent chartered surveyors before being applied to the annual rental charge of the property. This then provides the valuation of each property, movements due to revaluation are then recognised within the statement of comprehensive income.

There has been no formal valuation of the investment properties in the current year.

2.11 Stocks

Stocks are valued at the lower of cost or net realisable value. Work in progress and finished goods are valued at the lower of cost, including attributable overhead expenses and net realisable value.

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.12 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, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans, finance leases 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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and disclosures of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Investment properties

The value of investment properties is based on the yield percentage for each property individually. This percentage is verified by independent chartered surveyors before being applied to the annual rental charge of the property. This then provides the valuation of each property, movements due to revaluation are then recognised within the statement of comprehensive income.

There has been no formal valuation of the investment properties in the current year.

Freehold land and buildings

The valuation of freehold land and buildings was carried out by Bulleys Chartered Surveyors on 25 June 2015.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Foundry sales	<u>6,716,436</u>	<u>7,803,165</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	5,273,609	6,162,435
Rest of Europe	1,373,659	1,556,059
Rest of the world	69,168	84,671
	<u>6,716,436</u>	<u>7,803,165</u>

5. Other operating income

	2019 £	2018 £
Rent receivable	<u>889,880</u>	<u>862,811</u>

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	16,231	15,920

7. Employees

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

	Group 2019	Group 2018
	£	£
Wages and salaries	2,502,527	2,652,958
Social security costs	247,803	272,173
Cost of defined contribution scheme	113,574	112,755
	2,863,904	3,037,886

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

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Management and Administration	9	9	7	7
Production and Sales	78	77	69	67
	87	86	76	74

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

8. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	275,137	268,595
Company contributions to defined contribution pension schemes	22,500	22,500

The highest paid director received remuneration of £112,074 (2018 - £106,377).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,500 (2018 - £13,500).

9. Interest receivable

	2019	2018
	£	£
Bank interest receivable	15,012	9,379

10. Fair value adjustment

During the year directors assessed that there were no movements in the value of investment properties. The properties were held at a value of £6,800,000 (2018 - £6,800,000).

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	33,150	187,300
Adjustments in respect of previous periods	(20)	(418)
	<u>33,130</u>	<u>186,882</u>
Total current tax	<u>33,130</u>	<u>186,882</u>
Deferred tax		
Origination and reversal of timing differences	68,633	42,885
Prior year adjustment	(52)	(90,083)
	<u>68,581</u>	<u>(47,198)</u>
Total deferred tax	<u>68,581</u>	<u>(47,198)</u>
Taxation on profit on ordinary activities	<u>101,711</u>	<u>139,684</u>

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>487,773</u>	<u>1,113,225</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	92,677	211,513
Effects of:		
Expenses not deductible for tax purposes	17,128	18,635
Adjustments to tax charge in respect of prior periods	(8,128)	(90,083)
Other differences leading to an increase (decrease) in the tax charge	34	(381)
Total tax charge for the year	<u>101,711</u>	<u>139,684</u>

12. 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 £321,039 (2018 - £722,175).

The figures stated above are inclusive of dividends from its subsidiary of £Nil (2018 - £Nil).

JOSEPH AND JESSE SIDDON'S LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Dividends

	2019 £	2018 £
Ordinary share dividend	443,248	340,960
Preference share dividend	447	447
	<u>443,695</u>	<u>341,407</u>

On 13 September 2019 the directors propose a dividend of £127,860 (2018 - £358,008) on ordinary shares. These have not been recognised as a liability at the year end.

14. Exceptional items

During the previous year the company was subject to a fraud. While some monies were recovered, the balance below represents the amounts which could not be recovered.

No incidents occurred in the current year.

	2019 £	2018 £
Exceptional item	-	145,306
	<u>-</u>	<u>145,306</u>

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Tangible fixed assets

Group

	Freehold land and building £	Plant and machinery £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 July 2018	2,850,000	2,657,107	249,008	150,933	52,693	5,959,741
Additions	106,462	416,442	28,003	-	87,645	638,552
Disposals	-	(7,360)	(21,961)	(25,560)	-	(54,881)
At 30 June 2019	2,956,462	3,066,189	255,050	125,373	140,338	6,543,412
Depreciation						
At 1 July 2018	271,256	2,287,822	153,874	130,390	-	2,843,342
Charge for the year	89,699	110,185	62,455	7,680	-	270,019
Disposals	-	(7,360)	(20,152)	(25,560)	-	(53,072)
At 30 June 2019	360,955	2,390,647	196,177	112,510	-	3,060,289
Net book value						
At 30 June 2019	2,595,507	675,542	58,873	12,863	140,338	3,483,123
At 30 June 2018	2,578,744	369,285	95,134	20,543	52,693	3,116,399

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	2,595,507	2,578,744

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

15. Tangible fixed assets (continued)

Company

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 July 2018	2,850,000	2,222,834	249,008	150,933	52,693	5,525,468
Additions	106,462	412,412	28,003	-	87,645	634,522
Disposals	-	-	(21,961)	(25,560)	-	(47,521)
At 30 June 2019	<u>2,956,462</u>	<u>2,635,246</u>	<u>255,050</u>	<u>125,373</u>	<u>140,338</u>	<u>6,112,469</u>
Depreciation						
At 1 July 2018	271,256	1,892,422	153,874	130,390	-	2,447,942
Charge for the year	89,699	93,207	62,455	7,680	-	253,041
Disposals	-	-	(20,152)	(25,560)	-	(45,712)
At 30 June 2019	<u>360,955</u>	<u>1,985,629</u>	<u>196,177</u>	<u>112,510</u>	<u>-</u>	<u>2,655,271</u>
Net book value						
At 30 June 2019	<u>2,595,507</u>	<u>649,617</u>	<u>58,873</u>	<u>12,863</u>	<u>140,338</u>	<u>3,457,198</u>
At 30 June 2018	<u>2,578,744</u>	<u>330,412</u>	<u>95,134</u>	<u>20,543</u>	<u>52,693</u>	<u>3,077,526</u>

Group and company

Included within freehold land and buildings above are:-

	2019 £	2018 £
Other non depreciable land (at revaluation)	<u>115,534</u>	<u>115,534</u>

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Historical cost

Freehold land and buildings were valued on 25 June 2015 by an independent valuers Bulleys Chartered Surveyors. The historical cost of freehold land and buildings, had they not been revalued would have been:-

	2019 £	2018 £
Freehold land and buildings	<u>732,642</u>	<u>732,642</u>

16. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 July 2018	6,800,000
At 30 June 2019	<u>6,800,000</u>

All of the group's tangible fixed assets are held in the parent company.

The 2016 valuations were made by Bulleys Chartered Surveyors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	<u>5,038,408</u>	<u>5,038,408</u>

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

17. Stocks

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Raw materials and consumables	355,949	415,851	314,822	382,874
Finished goods and goods for resale	45,125	43,600	45,125	43,600
	<u>401,074</u>	<u>459,451</u>	<u>359,947</u>	<u>426,474</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £4,294,339 (2018 - £4,828,207).

18. Debtors

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Trade debtors	1,764,802	2,282,301	1,764,802	2,282,301
Corporation tax refund	60,350	-	60,350	-
Prepayments and accrued income	197,212	228,164	184,522	215,841
	<u>2,022,364</u>	<u>2,510,465</u>	<u>2,009,674</u>	<u>2,498,142</u>

19. Cash and cash equivalents

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Cash at bank and in hand	<u>2,173,919</u>	<u>2,390,192</u>	<u>2,172,780</u>	<u>2,388,468</u>

JOSEPH AND JESSE SIDDON'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

20. Investments

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Cost				
At 1 July 2018 and 30 June 2019	-	-	1,001	1,001
Net book value				
At 30 June 2018 and 30 June 2019	-	-	1,001	1,001

The operating subsidiary is Siddons Alloy Castings Limited, which is a wholly owned subsidiary engaged in the production of ductile iron and steel castings and is incorporated in England and Wales.

The dormant subsidiary is Siddons Steel Castings Limited, which is a wholly owned subsidiary incorporated in England and Wales.

21. Creditors: Amounts falling due within one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Trade creditors	517,703	574,176	474,287	501,280
Amounts owed to group undertakings	-	-	579,176	563,124
Corporation tax	17,000	110,800	-	102,400
Other taxation and social security	107,634	284,511	77,832	232,243
Other creditors	134,062	160,242	130,196	154,161
Accruals and deferred income	318,129	372,219	307,280	355,142
	1,094,528	<i>1,501,948</i>	1,568,771	<i>1,908,350</i>

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

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Share capital treated as debt	12,760	12,760	12,760	12,760

JOSEPH AND JESSE SIDDON'S LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,173,919	2,390,192	2,172,780	2,388,468
Financial assets that are debt instruments measured at amortised cost	1,764,802	2,282,301	1,764,802	2,282,300
	<u>3,938,721</u>	<u>4,672,493</u>	<u>3,937,582</u>	<u>4,670,768</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(651,765)	(734,418)	(604,483)	(655,441)

Financial assets measured at fair value through profit or loss comprise of cash at bank.

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

Financial liabilities measured at amortised cost comprise trade and other creditors

24. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(847,043)	(894,241)
Charged to profit or loss	(68,581)	47,198
At end of year	<u>(915,624)</u>	<u>(847,043)</u>

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Deferred taxation (continued)

Company

	2019 £	2018 £
At beginning of year	(843,038)	(893,946)
Charged to profit or loss	(70,777)	50,908
At end of year	<u>(913,815)</u>	<u>(843,038)</u>

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	62,296	(6,285)	60,487	(10,290)
Unrealised gains on freehold property revaluations	518,625	518,625	518,625	518,625
Unrealised gains on investment properties held at fair value	334,703	334,703	334,703	334,703
	<u>915,624</u>	<u>847,043</u>	<u>913,815</u>	<u>843,038</u>

JOSEPH AND JESSE SIDDON'S LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

25. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
8,524 (2018 - 8,524) Ordinary shares shares of £10.00 each	<u>85,240</u>	<u>85,240</u>
	2019 £	2018 £
Shares classified as debt		
Allotted, called up and fully paid		
1,276 (2018 - 1,276) Preference shares shares of £10.00 each	<u>12,760</u>	<u>12,760</u>

Preference shares

The holders of preference shares shall be entitled to dividend of 3.5% in preference to any dividend declared on ordinary shares. Dividends to ordinary shareholders shall only be declared after all amounts due to preference shareholders have been settled.

In the event of winding-up of the company, surplus assets shall first be applied in repaying all the paid up preference share capital.

Preference shareholders shall be entitled to the same voting rights as the equity shareholders.

Preference shares have been classified as financial liabilities and included in creditors: amounts due after more than one year, as there is an obligation to transfer economic benefits in accordance with FRS 25:- Financial Instruments: Disclosure and Presentation.

Ordinary shares

Ordinary shareholders shall be entitled to dividends paid out of accumulated realised profits less accumulated realised losses, after amounts due to preference shareholders have been settled.

In the event of winding-up of the company, surplus assets, once the paid up preference share capital has been repaid, shall be distributed to the ordinary shareholders in the proportion of their shareholding.

Shareholders, both preference and ordinary, shall be entitled to one vote per share held, up to ten. For every five shares beyond the first ten shares, up to one hundred, an additional vote is allowed. A further vote is granted, for every ten shares, beyond the first one hundred shares held.

JOSEPH AND JESSE SIDDONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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26. Reserves

Revaluation reserve

The balance in this reserve represents fair value adjustments relating to the land and buildings for the company's own use.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses. Included within this reserve is £1,761,592 (2018 - £1,761,592) relating to revaluation of the investment properties. This amount is to be held as non-distributable reserves until the investment properties are sold.

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £113,574 (2018 - £112,755). Contributions totalling £4,103 were payable to the fund at the balance sheet date and are included in creditors. (2018 - £4,203).

28. Commitments under operating leases

Commitments as a leasee

At 30 June 2019 the group and the company had no future lease payments under non-cancellable operating leases.

During the year lease payments recognised as an expense amounted to £Nil (2018 - £600).

Commitments as lessor

As at 30 June 2019 the group and the company had future minimum lease rental income under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	782,652	681,369	782,652	681,369
Later than 1 year and not later than 5 years	1,706,398	1,351,083	1,706,398	1,351,083
Later than 5 years	66,500	126,550	66,500	126,550
	<u>2,555,550</u>	<u>2,159,002</u>	<u>2,555,550</u>	<u>2,159,002</u>

JOSEPH AND JESSE SIDDONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. Transactions with directors

During the year the directors received the following amounts in dividends:

	2019	2018
	£	£
Ordinary share dividend	132,444	101,880
Preference share dividend	156	156
	132,600	102,036

Additionally, A G Siddons has an interest in a trust which received dividends totalling 5,200 (2018 - £4,000).

30. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A from the requirement to disclose transactions with group companies on the grounds that they are wholly owned subsidiaries.

The directors of the group are deemed to be the key management personnel as they are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity. Total employee benefits paid to key management personnel in the year were £297,636 (2018 - £291,095).