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Company Registration No. 01177794 (England and Wales)

J B INGALL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JANUARY 2019



J B INGALL LIMITED

COMPANY INFORMATION

Directors	P Ingall D Ingall A Ingall
Secretary	N Ingall
Company number	01177794
Registered office	Capital Steel Works Tinsley Park Road Sheffield S9 5DL
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Bankers	Yorkshire Bank plc 661 Staniforth Road Darnall Sheffield S9 4RE

J B INGALL LIMITED

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J B INGALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JANUARY 2019

The directors present the strategic report for the year ended 30 January 2019.

Fair review of the business

The business has been profitable in another year during which there has been significant uncertainty within the market place.

During the year the business worked towards satisfying the environmental qualification "Environment Management Systems ISO14001:2015". On the 28th January 2019 the company was approved and qualified against this standard.

With regard to the financial performance of the business during the year the key performance indicators are as follows:

Turnover:	£10,787,745
Gross Profit:	£2,426,132
Gross Margin:	22.5%
Net Profit:	£408,152

With regard to the position of the company at the end of the year the key performance indicators are as follows:

Bank Balance:	£2,074,325
Net Current Assets:	£2,706,554
Net Assets:	£4,045,060

The business remains in a strong financial position.

The Principle risks and uncertainties that the business face are as follows:

- General uncertainty within the market for steel castings.
- The effect that Brexit may have on sales into Europe.
- The vagaries of the oil and gas markets into which we supply.

Thank you to all the employees of J B Ingall Limited and its subsidiaries.

On behalf of the board


P Ingall
Director

23 October 2019

J B INGALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JANUARY 2019

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

Principal activities

The principal activity of the Group continued to be that of manufacture of steel and alloy foundry castings.

Directors

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

P Ingall
D Ingall
A Ingall

Results and dividends

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

Ordinary dividends were paid amounting to £205,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board



P Ingall
Director

23 October 2019

J B INGALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JANUARY 2019

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J B INGALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J B INGALL LIMITED

Opinion

We have audited the financial statements of J B Ingall Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 January 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, 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 group's and the parent company's affairs as at 30 January 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 *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

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 auditor's 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 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.

J B INGALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF J B INGALL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

J B INGALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF J B INGALL LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lisa Leighton (Senior Statutory Auditor)
for and on behalf of BHP LLP

23.10.19.

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

J B INGALL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JANUARY 2019

	Notes	2019 £	2018 £
Turnover	3	10,787,745	9,437,033
Cost of sales		(8,361,613)	(7,257,940)
Gross profit		2,426,132	2,179,093
Administrative expenses		(2,065,151)	(1,927,561)
Operating profit	4	360,981	251,532
Interest receivable and similar income	8	1,963	349
Interest payable and similar expenses	9	(379)	(12,098)
Profit before taxation		362,565	239,783
Tax on profit	10	45,587	48,654
Profit for the financial year		408,152	288,437

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

J B INGALL LIMITED

GROUP BALANCE SHEET

AS AT 30 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		1,384,506		1,361,022
Current assets					
Stocks	17	962,375		660,944	
Debtors	18	2,859,171		2,813,417	
Cash at bank and in hand		2,074,325		1,572,571	
		<u>5,895,871</u>		<u>5,046,932</u>	
Creditors: amounts falling due within one year	19	<u>(3,189,317)</u>		<u>(2,528,046)</u>	
Net current assets			2,706,554		2,518,886
Total assets less current liabilities			<u>4,091,060</u>		<u>3,879,908</u>
Provisions for liabilities	22		(46,000)		(38,000)
Net assets			<u>4,045,060</u>		<u>3,841,908</u>
Capital and reserves					
Called up share capital	25		2,200		2,200
Revaluation reserve			329,080		332,657
Profit and loss reserves			3,713,780		3,507,051
Total equity			<u>4,045,060</u>		<u>3,841,908</u>

The financial statements were approved by the board of directors and authorised for issue on 23 October 2019 and are signed on its behalf by:

P Ingall
Director

J B INGALL LIMITED

COMPANY BALANCE SHEET

AS AT 30 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investment properties	13	1,250,000		1,250,000	
Investments	14	453,590		453,590	
		<u>1,703,590</u>		<u>1,703,590</u>	
Current assets					
Debtors	18	15,000		-	
Cash at bank and in hand		20,310		258,834	
		<u>35,310</u>		<u>258,834</u>	
Creditors: amounts falling due within one year	19	(211,745)		(195,937)	
Net current (liabilities)/assets			(176,435)		62,897
Total assets less current liabilities			<u>1,527,155</u>		<u>1,766,487</u>
Provisions for liabilities	22		(2,820)		(2,820)
Net assets			<u>1,524,335</u>		<u>1,763,667</u>
Capital and reserves					
Called up share capital	25	2,200		2,200	
Revaluation reserve		126,317		126,317	
Profit and loss reserves		1,395,818		1,635,150	
Total equity			<u>1,524,335</u>		<u>1,763,667</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £34,332 (2018 - £47,694 profit).

The financial statements were approved by the board of directors and authorised for issue on 23 October 2019 and are signed on its behalf by:


P Ingall
Director

Company Registration No. 01177794

J B INGALL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JANUARY 2019

		Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 February 2017		2,200	336,234	3,515,037	3,853,471
Period ended 31 January 2018:					
Profit and total comprehensive income for the year		-	-	288,437	288,437
Dividends	11	-	-	(300,000)	(300,000)
Transfers		-	(3,577)	3,577	-
Balance at 31 January 2018		2,200	332,657	3,507,051	3,841,908
Period ended 30 January 2019:					
Profit and total comprehensive income for the year		-	-	408,152	408,152
Dividends	11	-	-	(205,000)	(205,000)
Transfers		-	(3,577)	3,577	-
Balance at 30 January 2019		2,200	329,080	3,713,780	4,045,060

J B INGALL LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 February 2017		2,200	126,317	1,887,456	2,015,973
Year ended 31 January 2018:					
Profit and total comprehensive income for the year		-	-	47,694	47,694
Dividends	11	-	-	(300,000)	(300,000)
Balance at 31 January 2018		2,200	126,317	1,635,150	1,763,667
Year ended 30 January 2019:					
Loss and total comprehensive income for the year		-	-	(34,332)	(34,332)
Dividends	11	-	-	(205,000)	(205,000)
Balance at 30 January 2019		2,200	126,317	1,395,818	1,524,335

J B INGALL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	29	948,219		446,169	
Interest paid		(379)		(12,098)	
Income taxes refunded		36,017		88,610	
Net cash inflow from operating activities		983,857		522,681	
Investing activities					
Purchase of tangible fixed assets		(104,459)		(99,190)	
Interest received		1,963		349	
Net cash used in investing activities		(102,496)		(98,841)	
Financing activities					
Proceeds / (repayments) relating to directors' loans		(140,287)		147,279	
Repayment of bank loans		(40,494)		(118,988)	
Purchase of derivatives		6,174		(6,174)	
Dividends paid to equity shareholders		(205,000)		(300,000)	
Net cash used in financing activities		(379,607)		(277,883)	
Net increase in cash and cash equivalents		501,754		145,957	
Cash and cash equivalents at beginning of year		1,572,571		1,426,614	
Cash and cash equivalents at end of year		2,074,325		1,572,571	

J B INGALL LIMITED

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

1 Accounting policies

Company information

J B Ingall Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of J B Ingall Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of J B Ingall Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 30 January 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 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.

1.4 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.

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.

1.5 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.

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 and buildings Freehold	2% per annum
Plant and machinery	7% to 50% straight line

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JANUARY 2019

1 Accounting policies

(Continued)

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 recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.7 Impairment of fixed assets

At each reporting end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

1.8 Stocks

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

Work in progress is assigned a value based on stage of completion. There are three key stages in the production process with work in progress banded accordingly. The year-end work in progress valuation is determined by multiplying the sales value by the relevant work in progress banding.

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.

1.9 Cash at bank and in hand

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

1.10 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

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

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 group after deducting all of its 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.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

1 Accounting policies

(Continued)

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

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 group'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.

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 Retirement benefits

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

1.16 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and where material to the financial statements, is expensed on a straight-line basis over the vesting period based on the group's estimate of shares or options that will eventually vest.

1.17 Leases

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 leased asset are consumed.

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

1 Accounting policies (Continued)

1.18 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
Turnover		
Production and sale of steel and alloy castings	10,787,745	9,437,033

Turnover analysed by geographical market

	2019 £	2018 £
United Kingdom	8,541,068	6,967,977
European Union	1,858,338	1,729,435
Rest of World	388,339	739,621
	10,787,745	9,437,033

4 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(18,526)	(16,985)
Depreciation of owned tangible fixed assets	80,975	161,239
Loss on disposal of tangible fixed assets	-	3,737
Operating lease charges	105,577	85,475

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,980	(270)
Audit of the financial statements of the company's subsidiaries	14,982	16,700
	<u>17,962</u>	<u>16,430</u>

6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production	46	43	-	-
Administrative	21	19	1	-
Directors	2	2	2	2
	<u>69</u>	<u>64</u>	<u>3</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,452,921	2,257,770	253,066	201,333
Social security costs	272,752	247,851	36,276	27,859
Pension costs	166,906	80,309	116,666	40,000
	<u>2,892,579</u>	<u>2,585,930</u>	<u>406,008</u>	<u>269,192</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	217,155	177,551
Company pension contributions to defined contribution schemes	116,666	40,000
	<u>333,821</u>	<u>217,551</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 1).

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

7 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	174,925	134,332
Company pension contributions to defined contribution schemes	26,666	-
	<u>174,925</u>	<u>134,332</u>

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	1,963	349
	<u>1,963</u>	<u>349</u>

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	379	3,153
Other finance costs:		
Other interest	-	8,945
	<u>379</u>	<u>12,098</u>
Total finance costs	<u>379</u>	<u>12,098</u>

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	(49,734)	(37,106)
Adjustments in respect of prior periods	(3,853)	452
	<u>(53,587)</u>	<u>(36,654)</u>
Total current tax	<u>(53,587)</u>	<u>(36,654)</u>
Deferred tax		
Origination and reversal of timing differences	8,000	(12,000)
	<u>8,000</u>	<u>(12,000)</u>
Total tax credit	<u>(45,587)</u>	<u>(48,654)</u>

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JANUARY 2019

10 Taxation

(Continued)

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

	2019 £	2018 £
Profit before taxation	362,565	239,783
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	68,887	45,559
Tax effect of expenses that are not deductible in determining taxable profit	688	3,066
Unutilised tax losses carried forward	-	47,842
Change in unrecognised deferred tax assets	(484)	614
Adjustments in respect of prior years	(3,852)	452
Research and development tax credit	(134,017)	(141,758)
Other non-reversing timing differences	48	-
Effect of change in deferred tax rates	(998)	(4,429)
Fixed asset differences	2,231	-
Losses carried back	6,476	-
Surrender of tax losses for R&D tax credit refund	15,434	-
Taxation credit	(45,587)	(48,654)

11 Dividends

	2019 £	2018 £
Final paid	205,000	300,000

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

12 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Total £
Cost			
At 1 February 2018	1,123,683	3,753,282	4,876,965
Additions	-	104,459	104,459
At 30 January 2019	1,123,683	3,857,741	4,981,424
Depreciation and impairment			
At 1 February 2018	87,752	3,428,191	3,515,943
Depreciation charged in the year	11,237	69,738	80,975
At 30 January 2019	98,989	3,497,929	3,596,918
Carrying amount			
At 30 January 2019	1,024,694	359,812	1,384,506
At 31 January 2018	1,035,931	325,091	1,361,022
Company		Plant and machinery £	
Cost			
At 1 February 2018 and 30 January 2019		133,987	
Depreciation and impairment			
At 1 February 2018 and 30 January 2019		133,987	
Carrying amount			
At 30 January 2019		-	

13 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 February 2018 and 30 January 2019	-	1,250,000

Investment property comprises the land and factory premises that are used by Norton Cast Products Limited. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 1 January 2015 by SMC Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors are satisfied that at the balance sheet date the valuation was not materially different to this external valuation and accordingly no adjustment has been made.

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	453,590	453,590

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 February 2018 and 30 January 2019	453,590
Carrying amount	
At 30 January 2019	453,590
At 31 January 2018	453,590

15 Subsidiaries

Details of the company's subsidiaries at 30 January 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
Norton Cast Products Limited	UK Production and sale of alloy & steel castings	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,747,520	2,748,503	15,000	-
Instruments measured at fair value through profit or loss	-	6,174	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	3,094,238	2,355,516	185,629	162,475

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JANUARY 2019

17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	218,047	212,384	-	-
Work in progress	744,328	448,560	-	-
	<u>962,375</u>	<u>660,944</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	2,732,520	2,748,503	-	-
Corporation tax recoverable	54,676	37,106	-	-
Derivative financial instruments	-	6,174	-	-
Other debtors	21,233	-	15,000	-
Prepayments and accrued income	50,742	21,634	-	-
	<u>2,859,171</u>	<u>2,813,417</u>	<u>15,000</u>	<u>-</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	20	-	40,494	-	-
Trade creditors		2,790,136	1,761,842	-	-
Amounts owed to group undertakings		-	-	158,018	9,693
Other taxation and social security		95,079	119,526	26,116	33,462
Deferred income		-	53,004	-	-
Other creditors		114,607	174,451	24,745	150,032
Accruals and deferred income		189,495	378,729	2,866	2,750
		<u>3,189,317</u>	<u>2,528,046</u>	<u>211,745</u>	<u>195,937</u>

20 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	-	40,494	-	-
	<u>-</u>	<u>40,494</u>	<u>-</u>	<u>-</u>
Payable within one year	-	40,494	-	-
	<u>-</u>	<u>40,494</u>	<u>-</u>	<u>-</u>

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

20 Loans and overdrafts

(Continued)

The long-term loans are secured by fixed and floating charges over the assets of Norton Cast Products Limited.

The bank loan is for an amount of £350,000 repayable on a monthly basis over three years and interest is charged at 2.5% per annum over the bank's base rate.

21 Provisions for liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Deferred tax liabilities	22	46,000	38,000	2,820	2,820

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Group		
ACAs	46,000	38,000
	Liabilities 2019 £	Liabilities 2018 £
Company		
Investment property	2,820	2,820
	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 February 2018	38,000	2,820
Charge to profit or loss	8,000	-
Liability at 30 January 2019	46,000	2,820

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

23 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	166,906	80,309

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share-based payment transactions

On 1 May 2014, options were granted under the company's Enterprise Management Incentive Option Scheme, an Inland Revenue approved share option scheme. These options are exercisable for a total of 484 Ordinary shares at a price of £1 per share in the periods between 1 May 2014 and 30 April 2024 in the event of qualifying conditions.

The calculated charge in respect of the scheme on inception was not material to the financial statements and consequently no provision was made. At the year end no options had been exercised and therefore remain in existence.

25 Share capital

	Group and company	
	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
2,200 Ordinary shares of £1 each	2,200	2,200

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Within one year	66,526	99,976	12,964	13,150
Between two and five years	24,487	90,580	12,000	21,844
In over five years	12,000	15,000	12,000	15,000
	<u>103,013</u>	<u>205,556</u>	<u>36,964</u>	<u>49,994</u>

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	719,299	553,682

In accordance with FRS 102 33.1.A, transactions between J B Ingall Limited and Norton Cast Products Limited have not been disclosed.

28 Controlling party

The ultimate controlling party is Mr P Ingall by virtue of his majority shareholding.

29 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	408,152	288,437
Adjustments for:		
Taxation credited	(45,587)	(48,654)
Finance costs	379	12,098
Investment income	(1,963)	(349)
(Gain)/loss on disposal of tangible fixed assets	-	3,737
Depreciation and impairment of tangible fixed assets	80,975	161,239
Movements in working capital:		
(Increase)/decrease in stocks	(301,431)	56,151
(Increase) in debtors	(19,358)	(264,633)
Increase in creditors	754,769	460,672
(Decrease) in deferred income	(53,004)	(75,250)
Cash generated from operations	822,932	593,448

J B INGALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JANUARY 2019

30 Cash generated from operations - company

	2019 £	2018 £
(Loss)/profit for the year after tax	(34,332)	47,694
Adjustments for:		
Taxation charged/(credited)	-	(10,375)
Movements in working capital:		
(Increase)/decrease in debtors	-	300,003
Increase in creditors	15,808	166,729
Cash (absorbed by)/generated from operations	<u>(18,524)</u>	<u>504,051</u>