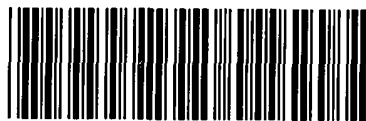


Registered number: 00144973

JAMES NEILL HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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JAMES NEILL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S Hsu A Shone
Company secretary	D M George
Registered number	00144973
Registered office	Atlas Way Atlas North Sheffield S4 7QQ
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

JAMES NEILL HOLDINGS LIMITED

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JAMES NEILL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

Introduction

James Neill Holdings Limited is a private company, limited by shares, domiciled in England and Wales, registration number 00144973. The registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ.

Business model and strategy

The Company acts principally as an industrial holding company providing management services to the Spear & Jackson group of companies. The level of activity in the current period was satisfactory.

Financial review

The operating profit for the year was £1,188,000 (2020 – profit of £930,000). After charging net interest and crediting taxation, the profit for the financial year amounted to £2,472,000 (2020 – profit of £482,000 after charging net interest and crediting taxation).

The directors do not recommend the payment of a dividend (2020 - £nil).

Despite the satisfactory result for the year, the Company has negative reserves. The Company is the Principal Employer of the James Neill Pension Plan, and as such recognises the full defined benefit pension liability for that plan in its financial statements. The deficit position is a function of the actuarial valuation of the Plan liabilities and is not a reflection of the Company's underlying trading operations.

Principal risks and uncertainties

The directors believe that the key risks facing the Company include, without limitation:

- unfavourable exchange movements;
- attracting and retaining suitably experienced employees in a highly competitive labour market; and
- volatility in investment returns and actuarial assumptions which can significantly affect the defined benefit pension plan deficit for which the Company is the principal employer, impacting on future funding requirements.

Health and safety, environmental and related issues are becoming an increasing risk to all companies. The Company mitigates risk by a combination of contractual consultancy advice, insurance and the adoption of appropriate working practices.

The Company uses financial instruments, other than derivatives, comprising other items such as inter-company balances and other liabilities that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing these risks as summarised below. The policies have remained unchanged from previous periods.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily, this is achieved through utilisation of a pooled banking arrangement and asset-backed lending facilities within Spear & Jackson Group Limited and its UK subsidiary undertakings.

JAMES NEILL HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Principal risks and uncertainties (continued)

The Company uses financial instruments, other than derivatives, comprising other items such as inter-company balances and other liabilities that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing these risks as summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The Company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Foreign exchange risk

The Company is exposed to transaction and translation foreign exchange risk. Transaction exposures are hedged, when known.

Future Trading and Going Concern

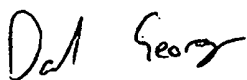
Spear & Jackson Group Limited ("the Group"), the Company's ultimate UK parent undertaking has had a successful fiscal 2021 as it benefitted from increased demand and a low-cost base as the UK economy emerged from the covid pandemic. However, fiscal 2022 has been particularly challenging in those areas of the Group which are more heavily reliant on the global supply chain. We are operating in a high inflationary environment as the world economy is witnessing the unprecedented impact of the Ukrainian war.

The Group is braced for a difficult set of trading conditions in 2022 and beyond, especially in its Tools division. Elsewhere, in its Precision Measurement and Magnetic Technologies divisions, it has been more able to control the cost increases and to re-engineer and manufacture products in order to maintain a competitive edge. As a conglomeration of varying business interests the Group is better placed to be flexible in responding to external pressures, as it proved during the covid pandemic, than a single business entity reliant upon one core business model.

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities of the Group in addition to the business activities of the Company as an individual entity. The Group intends to continue to manage funding across all group companies and provide support for the foreseeable future.

The Group continues to manage its cash resources in the current trading environment. It has a solid relationship with its facility provider and continues to work within its banking facilities. In light of the availability within its current banking facility and confidence in the renewal of those facilities at the forthcoming annual renewal, the Directors have concluded that the Group and Company have adequate resources for the foreseeable future and will be able to meet their liabilities as they fall due for a period of at least twelve months from signing these financial statements and that the going concern basis of preparation is appropriate.

This report was approved by the board on 24 JUNE 2022 and signed on its behalf.



D M George
Secretary

JAMES NEILL HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

Directors

The directors who served during the year were:

S Hsu
A Shone

Likely future developments in the business of the Company

Information on likely future developments in the business of the company has been included in the Strategic Report on page 1.

Existence of branches of the Company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the directors of James Neill Holdings Limited.

Streamlined Energy and Carbon Reporting ("SECR")

The Group headed by the Company has taken the option under the SECR guidelines to exclude subsidiaries which are not required to report under the SECR individually. James Neill Holdings Limited itself has no energy use or greenhouse gas emissions to report.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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's auditor is aware of that information.

Going Concern

Refer to the Strategic Report regarding the Company's going concern assessment.

Dividends

Information on dividends has been included in the Strategic Report on page 1.

Auditor

The auditor, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

JAMES NEILL HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

This report was approved by the board on 24 June 2022 and signed on its behalf.

Dal George

D M George
Secretary

JAMES NEILL HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

JAMES NEILL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES NEILL HOLDINGS LIMITED

Opinion

We have audited the financial statements of James Neill Holdings Limited (the 'Company') for the year ended 30 September 2021, which comprise the Income Statement, Statement of Comprehensive Income, the Balance Sheet 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 Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the group and the parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

JAMES NEILL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES NEILL HOLDINGS LIMITED

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

JAMES NEILL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES NEILL HOLDINGS LIMITED

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

We considered the company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax, and we considered the extent to which non-compliance might have a material effect on the financial statements.

Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities; such as the authorisation of expenditure and approval of payments to suppliers;
- Challenging assumptions made by management in their accounting estimates;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 30 September 2021; and carrying out detailed testing, on a sample basis, of material transactions, financial statement categories and balances to appropriate documentary evidence to verify the completeness, occurrence and accuracy of the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of 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.

DocuSigned by:

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Paul Davies (Senior statutory auditor)

for and on behalf of

BDO LLP

Statutory Auditor

Leeds, United Kingdom

Date: 28 June 2022

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

JAMES NEILL HOLDINGS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
Turnover		772	550
Other operating income	4	401	455
Administrative expenses		84	(69)
Restructuring costs		(69)	(6)
Operating profit	5	1,188	930
Interest receivable and similar income		30	16
Interest payable and similar expenses	8	(160)	(165)
Other finance costs	9	(708)	(770)
Profit before tax		350	11
Tax on profit	10	2,122	471
Profit for the year		2,472	482

The notes on pages 13 to 36 form part of these financial statements.

All the above activities arose from continuing operations.

JAMES NEILL HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
Profit for the financial year		2,472	482
Other comprehensive income/(loss)			
Actuarial gain/(loss) on defined benefit schemes	17	11,399	(5,317)
Taxation on actuarial (gain)/loss on retirement benefit obligation		(2,850)	1,010
Change in taxation rates in respect of deferred taxation on defined benefit plan		66	128
Other comprehensive income/(loss) for the year		8,615	(4,179)
Total comprehensive income/(loss) for the year		11,087	(3,697)

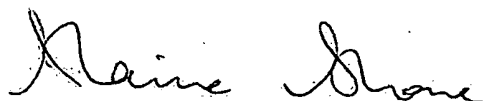
The notes on pages 13 to 36 form part of these financial statements.

JAMES NEILL HOLDINGS LIMITED
REGISTERED NUMBER:00144973

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	11		4,227		4,311
Investments	12		6,145		6,256
			<u>10,372</u>		<u>10,567</u>
Current assets					
Debtors	13	17,461		17,408	
Cash at bank and in hand		1		1	
		<u>17,462</u>		<u>17,409</u>	
Creditors: amounts falling due within one year	15	(23,601)		(21,638)	
Net current liabilities			<u>(6,139)</u>		<u>(4,229)</u>
Total assets less current liabilities			<u>4,233</u>		<u>6,338</u>
Provisions for liabilities					
Other provisions	16	(8)		-	
			<u>(8)</u>		<u>-</u>
Pension liability			<u>(32,516)</u>		<u>(45,716)</u>
Net liabilities			<u><u>(28,291)</u></u>		<u><u>(39,378)</u></u>
Capital and reserves					
Called up share capital	18		-		-
Revaluation reserve			3,144		3,144
Other reserves			(107)		(107)
Profit and loss account			<u>(31,328)</u>		<u>(42,415)</u>
			<u><u>(28,291)</u></u>		<u><u>(39,378)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 June 2022.



A Shone
Director

The notes on pages 13 to 36 form part of these financial statements.

JAMES NEILL HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Revaluation reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 October 2019	3,144	(107)	(38,718)	(35,681)
Comprehensive loss for the year				
Profit for the year	-	-	482	482
Actuarial losses on pension scheme	-	-	(5,317)	(5,317)
Taxation on actuarial losses on pension scheme	-	-	1,010	1,010
Change in taxation rates in respect of deferred taxation on defined benefit plan	-	-	128	128
Total comprehensive loss for the year	-	-	(3,697)	(3,697)
At 1 October 2020	3,144	(107)	(42,415)	(39,378)
Comprehensive income for the year				
Profit for the year	-	-	2,472	2,472
Actuarial gains on pension scheme	-	-	11,399	11,399
Taxation on actuarial gains on pension scheme	-	-	(2,850)	(2,850)
Change in taxation rates in respect of deferred taxation on defined benefit plan	-	-	66	66
Total comprehensive income for the year	-	-	11,087	11,087
At 30 September 2021	3,144	(107)	(31,328)	(28,291)

The notes on pages 13 to 36 form part of these financial statements.

JAMES NEILL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies

James Neill Holdings Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. There were no material departures from that standard.

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying accounting policies (see note 2).

The presentation currency is Pounds Sterling, rounded to the nearest thousand Pounds.

Exemption from preparing consolidated financial statements

As at 30 September 2021, the Company was a 100% subsidiary of Spear & Jackson Group Limited, a company incorporated in England. Spear & Jackson Group Limited prepares its financial statements in accordance with International Financial Reporting Standards and, as such, the Company is entitled to the exemption from the requirement to prepare consolidated financial statements provided under the Section 400 of the Companies Act 2006. These financial statements therefore contain information about James Neill Holdings Limited as an individual company, and not about its group.

Exemption from presenting a statement of cashflows

The directors have taken advantage of the exemption in FRS 102 section 1.12 from including a Statement of Cash Flows and reconciliation of net debt in the financial statements on the grounds that, at Spear & Jackson Group Limited, the Company was wholly owned and its ultimate United Kingdom parent published a consolidated cash flow statement.

The following principal accounting policies have been applied:

Going concern

The Directors have prepared forecasts for the period to September 2023 based upon a best-estimate scenario which have then been sensitised to incorporate the potential impacts of reductions in revenue.

Based upon the Group's solid relationship with its facility provider and confidence in the renewal of its current banking facilities at the forthcoming annual renewal and in conjunction with the forward looking statements, the Directors have concluded that the Group and Company have adequate resources for the foreseeable future and will be able to meet their liabilities as they fall due for a period of at least twelve months from the date of signing these financial statements and that the going concern basis of preparation is appropriate. The directors did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Group or Company's ability to continue as a going concern.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. Accounting policies (continued)

Tangible fixed assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Office equipment	- 3 to 5 years

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

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

Investment property

Land and buildings which are leased to fellow companies in the Spear & Jackson Group have been accounted for as tangible fixed assets.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Foreign currency translation

Foreign currency transactions are translated into Pounds Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. Accounting policies (continued)

Finance costs

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

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Government grants

Government grants are recognised once there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. During the year, the Company received a Coronavirus Job Retention Scheme grant which was accounted for under the performance model. Amounts received are disclosed within other operating income in the Income Statement.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. Accounting policies (continued)

Leased assets: lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Incentive payments to new tenants to occupy the Company's investment properties are treated as a reduction in revenue and initially recorded as prepayments. The payments are charged to profit or loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at open market value less the amount of the unamortised incentive.

All other leases are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

JAMES NEILL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension schemes are charged to the Statement of Comprehensive Income in the year in which they become payable.

The Company is a member of a group defined benefit pension plan. There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities. In line with the requirements of FRS 102 section 20.38, the net defined benefit cost of the Plan has, therefore, been recognised in the individual financial statements of the group entity legally responsible for the Plan, which is James Neill Holdings Limited. The other group companies who are members of the Plan have recognised a cost equal to their contributions payable for the year in their individual financial statements.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's investments and tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 11)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

A portion of the Company's land and buildings are leased under an operating lease to a third party. In line with FRS 102 paragraph 16.4, the Company has not split the land and buildings between tangible fixed assets and investment property as it has determined that the resulting portions could not be sold separately or leased out separately under a finance lease. The full amount of the land and buildings has therefore been recorded as tangible fixed assets.

JAMES NEILL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

- *Retirement benefit obligation (see note 17)*

The Company operates a group defined benefit pension plan.

A number of statistical and other factors which attempt to anticipate future events are used by the actuaries in calculating the expense and liability relating to the Plan. These factors include assumptions about the discount rate, and expected return on the Plan assets as determined by the Company, within certain guidelines, and in conjunction with the Company's actuarial consultants and auditor. Our actuaries also use subjective factors such as withdrawal and mortality rates to estimate the expense and liability related to the Plan. The actuarial assumptions used by the Company may differ significantly, either favourably or unfavourably, from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants.

The use of different assumptions may have a significant impact on the measurement of the income statement pension expenses and the statement of financial position pension liability that are recognised in the Company's financial statements.

Certain of these assumptions have judgemental aspects. There is, therefore, the potential for a range of acceptable values to be available for several of the assumptions at any time, all of which could be justified and considered an appropriate for the purposes of compiling the necessary disclosures under FRS 102.

The plan operates a Levelling Pension Option for members approaching retirement (note 17). The assumption applied for the take-up percentage of this option has been determined based upon average take-up of the option since its introduction.

The range of possible acceptable assumptions reflects, inter alia, degrees of optimism and caution that the actuaries can build into their assumption models concerning certain macro and micro economic conditions and other demographic factors. Further, because of the constantly evolving nature of such economic and demographic factors, assumptions will not remain constant over time but will move to reflect changes in the principal calculation drivers that underpin them.

The following sensitivity table illustrates the impact on the Company's balance sheet as a result of making changes in certain of the key assumptions used in calculating the assets and liabilities of the Plan.

	Impact on 30 September 2021 Pension Deficit £	Impact on 30 September 2020 Pension Deficit £
Change in assumptions:		
10 basis point decrease in discount rate	-2.1 million	-2.3 million
10 basis point increase in discount rate	+2.1 million	+2.3 million
10 basis point increase in inflation assumptions	+0.4 million	+1.1 million
10 basis point decrease in inflation assumptions	-0.4 million	-1.1 million
Increase mortality assumptions by one year	+8.3 million	+9.1 million
Decrease mortality assumptions by one year	-8.3 million	-9.1 million
5% increase in the levelling pension take-up assumption	-0.6 million	-0.6 million
5% decrease in the levelling pension take-up assumption	0.6 million	0.6 million
5% decrease in the commutation assumption	0.3 million	0.4 million

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

- *Deferred taxation (see note 14)*

The Company has recorded significant deferred tax assets in its Balance Sheet. A review of all available positive and negative evidence is undertaken by the Company at the end of each reporting period to determine the likelihood of realising the deferred tax benefits which potentially arise on its property, plant and equipment, the UK pension defined benefit plan, accruals and allowances, inventories and tax loss carry forwards.

Such reviews consider the available positive and negative evidence, and comprise all those factors believed to be relevant, including the company's recent operating results and its expected future profitability, including the impact of its manufacturing restructuring strategies. Based on these reviews, the Company can then determine whether there is a reasonable expectation that it will generate sufficient future taxable income such that its gross deferred tax assets relating to property, plant and equipment, the UK pension defined benefit plan, accruals and allowances and inventories are likely to be realised.

The Company will continue to review the recoverability of its deferred tax assets and, based on such periodic reviews, the company could recognise a change in the valuation allowance relating to its deferred tax assets in the future should, for example, estimates of forecast taxable income be reduced or other favourable or adverse events occur.

3. Turnover

Turnover, representing administration charges to subsidiary undertakings in the United Kingdom, is a continuing activity, and is stated net of value added tax. The directors regard the Company's business as being of one class.

4. Other operating income

	2021 £000	2020 £000
Property rental income	400	421
Coronavirus Job Retention Scheme	1	34
	<u>401</u>	<u>455</u>

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Operating profit

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

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	176	185
Fees payable to the Company's auditor for:		
- Audit of the Company's annual financial statements	4	8
- Taxation compliance services	4	4
Exchange differences	-	(7)
Other operating lease rentals	20	22
	184	210

6. Employees

Staff costs were as follows:

	2021	2020
	£000	£000
Wages and salaries	552	528
Social security costs	64	57
Cost of defined contribution scheme	29	28
	645	613

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

	2021	2020
	No.	No.
Office and management	13	14

Defined contribution pension schemes are operated by the Company on behalf of employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension charge represents contributions payable by the Company to the funds and amounted to £29,000 (2020 - £28,000). Contributions amounting to £10,000 (2020 - £16,000) were payable to the fund at the year end and are included in creditors.

7. Directors' remuneration

No director received any emoluments from the Company in the year (2020 - £nil).

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Interest payable and similar expenses

	2021	2020
	£000	£000
Group loans	160	161
Other interest payable	-	4
	<u>160</u>	<u>165</u>

9. Other finance costs

	2021	2020
	£000	£000
Interest income on pension scheme assets	1,827	2,226
Interest expense on defined benefit liability	(2,535)	(2,996)
	<u>(708)</u>	<u>(770)</u>

10. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on profits for the year	(68)	(62)
Total current tax	<u>(68)</u>	<u>(62)</u>
Deferred tax		
Origination and reversal of timing differences	349	279
Adjustment in respect of previous periods	-	7
Changes to tax rates	(2,403)	(695)
Total deferred tax	<u>(2,054)</u>	<u>(409)</u>
Taxation on profit on ordinary activities	<u>(2,122)</u>	<u>(471)</u>

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Taxation (continued)

Factors affecting tax credit for the year

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

	2021 £000	2020 £000
Profit on ordinary activities before tax	350	11
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 - 19%)	67	2
Effects of:		
Permanently disallowed items	22	26
Group relief surrendered for which no payment will be received	194	190
Re-measurement of deferred tax - change in UK tax rate	(2,403)	(695)
Adjustment in respect of prior periods	-	7
Non-taxable income	(1)	(1)
Permanent differences arising on capital allowances	(1)	-
Total tax credit for the year	(2,122)	(471)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £2,784,000 (2020 - credit of £1,138,000).

For further information on deferred tax balances, see note .

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Tangible fixed assets

	Freehold property £000	Office equipment £000	Total £000
Cost or valuation			
At 1 October 2020	6,762	803	7,565
Additions	76	16	92
At 30 September 2021	<u>6,838</u>	<u>819</u>	<u>7,657</u>
Depreciation			
At 1 October 2020	2,517	737	3,254
Charge for the year on owned assets	149	27	176
At 30 September 2021	<u>2,666</u>	<u>764</u>	<u>3,430</u>
Net book value			
At 30 September 2021	<u>4,172</u>	<u>55</u>	<u>4,227</u>
At 30 September 2020	<u>4,245</u>	<u>66</u>	<u>4,311</u>

The freehold land and buildings at Atlas Way, Sheffield were valued by Jones Lang Wootton, Chartered Surveyors, at 17 November 1997 on the basis of their open market value. In accordance with the transitional provisions of FRS15, the directors elected to freeze all revaluations and the revalued fixed assets have not been restated at their historical cost. In accordance with the transitional provisions of FRS '102, the frozen revaluation has been considered to be the deemed cost.

The carrying amount of investment property, which the Company rents to another group entity when it has chosen to account for such properties using the cost model is £4,172,000 (2020 - £4,245,000).

The cost or valuation is made up as follows:

	2021 £000	2020 £000
Historic cost	2,298	2,222
1997 valuation	4,540	4,540
	<u>6,838</u>	<u>6,762</u>

The value of freehold land not depreciated is £732,000 (2020 - £732,000).

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted investments £000	Loans to subsidiaries £000	Total £000
Cost or valuation				
At 1 October 2020	65,060	51	10,504	75,615
Additions	-	-	542	542
Disposals	-	-	(653)	(653)
Foreign exchange movement	-	-	(66)	(66)
At 30 September 2021	65,060	51	10,327	75,438
Impairment				
At 1 October 2020	63,885	51	5,423	69,359
Revaluations	-	-	(66)	(66)
At 30 September 2021	63,885	51	5,357	69,293
Net book value				
At 30 September 2021	1,175	-	4,970	6,145
At 30 September 2020	1,175	-	5,081	6,256

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Neill Tools Limited	Atlas Way, Atlas North, Sheffield, S4 7QQ	Procurement, distribution and sale of hacksaw blades, other engineers' cutting tools, pliers and other hand tools.	Ordinary	100%
Spear & Jackson Holdings Limited	Atlas Way, Atlas North, Sheffield, S4 7QQ	Investment holding company.	Ordinary	100%
Spear & Jackson UK Limited	Atlas Way, Atlas North, Sheffield, S4 7QQ	Procurement, distribution and sale of garden, agricultural and contractors' hand tools, wood saws and builders' tools.	Ordinary	100%
Societe Neill France SA	Le Coin, Zone Industrielle, CS 40082, 42402 Saint Chamond Cedex, France	Holding company of Spear & Jackson France SA.	Ordinary	100%
Spear & Jackson France SA	Le Coin, Zone Industrielle, CS 40082, 42402 Saint Chamond Cedex, France	Marketing, distribution and sale of group garden tools, hand tools and other related products.	Ordinary	100%
Spear & Jackson (Australia) Pty Limited	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia	Marketing, distribution and sale of group hand and garden tools and other related products.	Ordinary	100%
Spear & Jackson (New Zealand) Limited	DFK Oswin Griffiths Carlton, Level 4, 52 Symonds Street, Auckland, 1010, New Zealand	Marketing and sale of group hand and garden tools and other related products.	Ordinary	100%
Eclipse Tools Manufacturing Company Limited	Building 4, No. 128, Jiangmu Road, Gaoxin District, Jiangmen City, Guangdong Province, China	Manufacturer of hacksaw blades.	Ordinary	100%

Societe Neill France SA, Spear & Jackson France SA and Eclipse Tools Manufacturing Company Limited are held indirectly.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments (continued)

The Company has investments in other dormant companies. The following dormant companies are wholly owned by the Company.

Name	Registered office
E H Collis Pty Ltd	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia
E H Collis (NSW) Pty Ltd	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia
James Neill Canada Inc	Registered in Canada, c/o Atlas Way, Atlas North, Sheffield, S4 7QQ
James Neill USA Inc	Barrick, Switzer, Long, Balsley & Van Evera LLP, 6833 Stalter Drive, Rockford, Illinois 61108, United States of America
Umcos (Australia) Pty Ltd	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia

E H Collis Pty Ltd, E H Collis (NSW) Pty Ltd, James Neill Canada Inc and Umcos (Australia) Pty Ltd are held indirectly.

Other investments

These investments are unlisted and are carried at cost. They include a holding of 30% of the issued ordinary share capital of Bipico Industries (Tools) Private Limited, a company incorporated and operating in India. This company is not considered to be an associated undertaking since James Neill Holdings Limited does not possess the ability to exercise significant influence over the company.

The full investment value has been impaired.

13. Debtors

	2021	2020
	£000	£000
Due after more than one year		
Deferred taxation (note 14)	7,580	8,399
	7,580	8,399
Due within one year		
Amounts owed by group undertakings	359	339
Amounts owed by subsidiary undertakings	3,447	3,393
Amounts owed by fellow subsidiary undertakings	510	435
Amounts owed by parent undertakings	4,850	3,695
Value Added Tax	247	785
Other debtors	134	116
Deferred taxation (note 14)	334	245
Coronavirus Job Retention Scheme amounts receivable	-	1
	17,461	17,408

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Deferred tax

	Accelerated capital allowances £000	Provisions £000	Retirement benefit obligation £000	Total £000
At 1 October 2019	(42)	40	7,099	7,097
Taxation charge in the year	(39)	(1)	(246)	(286)
Charged/(credited) to income statement in respect of change in tax rates	(4)	4	695	695
Recognition of actuarial loss on retirement benefit obligation in other comprehensive income	-	-	1,010	1,010
Recognition of change in tax rates on defined benefit pension plan in other comprehensive income	-	-	128	128
At 30 September 2020	(85)	43	8,686	8,644
Taxation charge in the year	(15)	8	(342)	(349)
Charged/(credited) to income statement in respect of change in tax rates	(30)	-	2,433	2,403
Recognition of actuarial gain on retirement benefit obligation in other comprehensive income	-	-	(2,850)	(2,850)
Recognition of change in tax rates on defined benefit pension plan in other comprehensive income	-	-	66	66
At 30 September 2021	(130)	51	7,993	7,914

See note 17 for more details regarding the retirement benefit obligation.

Deferred tax assets of £270,000 (2020 - £270,000) in relation to timing differences on current assets and liabilities have not been recognised in the accounts. There is insufficient evidence that these assets will be recoverable within the meaning of FRS 102, section 29 "Income Tax".

Similarly, the Company has losses available for relief against future taxable profits of approximately £322,000 (2020 - £322,000), which have also not been recognised in these accounts.

The Company also has capital losses available of approximately £6,080,000 (2020 - £6,080,000), which have not been recognised in these accounts.

The Company has an advance corporation tax balance of £3,157,000 (2020 - £3,157,000); this is potentially available for offset against future taxation liabilities to the extent that the quantum and timing of the group's UK taxable profits interacts with dividend flows in and out of the UK group in such a way that there is capacity to shelter a liability in a given accounting period. No recognition has been made in these financial statements.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Bank overdrafts	4,030	2,503
Amounts owed to parent undertakings	12,170	11,717
Amounts owed to subsidiary undertakings	5,997	6,012
Amounts owed to fellow subsidiary undertakings	715	787
Other creditors	689	619
	<u>23,601</u>	<u>21,638</u>

16. Provisions

	Restructuring costs £000
At 1 October 2020	-
Charged to profit or loss	69
Utilised in year	(61)
At 30 September 2021	<u><u>8</u></u>

The restructuring costs relate to retrenchment costs.

17. Retirement benefit obligation

The Company is a member of a group pension plan, the James Neill Pension Plan ("the Plan"), which until 30 March 2017 was operated by Spear & Jackson Limited ("SJL"). The Plan is a contributory defined benefit pension plan covering certain of its employees in the UK-based subsidiaries of Spear & Jackson Group Limited. The benefits covered by the Plan are based on years of service and compensation history. The Plan's assets are held separately from the assets of the Spear & Jackson Group Limited and are administered by the Plan's trustees and are managed professionally. The Plan is not open to new entrants.

From March 2014 up until 30 March 2017, SJL acted as Principal Employer, and therefore the legal entity responsible for the Plan and the entity which recognises the defined pension liability in its financial statements. On that date, the Trustees of the Plan consented to the substitution of James Neill Holdings Limited as the Principal Employer of the Plan. Up until 30 March 2017, the Company was a participating employer in the Plan. With the change in Principal Employer, the Company now recognises the defined benefit pension liability in its financial statements.

There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities. In line with the requirements of FRS 102 section 20.38, the net defined benefit cost of the Plan has, therefore, been recognised in the individual financial statements of the group entity legally responsible for the Plan. The other group companies who are members of the Plan have recognised a cost equal to their contributions payable for the year in their individual financial statements.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Retirement benefit obligation (continued)

The total contributions paid to the Plan for the year ended 30 September 2021 amounted to £2.8 million (2020 - £2.8 million). Included within in this are the Company's contributions for the year, which amounted to £1,165,000 (2020 - £1,165,000).

The latest formal actuarial valuation of the Plan was carried out at 5 April 2019 by Isio, the actuarial advisors to the Plan and was agreed by the Trustees of the Plan and the Company on 30 April 2020. Following the finalisation of the 2019 actuarial valuation, a long-term funding plan has been agreed between the Plan and the Company which provides for a fixed annual contribution of £2.8 million commencing from 1 July 2020 and extending to 29 February 2032. This contribution is based on the recovery of a deficit of £59.2 million as indicated by the triennial valuation at 5 April 2019. In addition to recovering the deficit, the annual fixed contributions also cover the funding of the annual ongoing accrual and the annual Pension Protection Fund Levy which is borne directly by the Plan.

In the year ended 30 September 2018, the Trustees agreed to implement a Levelling Pension Option (LPO) as a new option for members approaching retirement. The LPO gives members the option to exchange some of their Plan pension after State Pension age (SPA) for a temporary uplift to their Plan pension until SPA. The introduction of this option is intended to even out the total pension received by members from the State and Plan in total before and after SPA.

JAMES NEILL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

17. Retirement benefit obligation (continued)

The principal financial assumptions used in the updated actuarial valuations at 30 September 2021 and 2020 for the purposes of the accounting disclosures in these financial statements were as follows.

	2021 %	2020 %
Long term rate of increase in pensionable salaries (note a)	0.00	0.00
Rate of increase of benefits in payment (note b)	3.35	2.86
Rate of increase of benefits in payment (note c)	2.30	1.99
Discount rate	2.00	1.60
Inflation assumption (Retail Prices Index ("RPI"))	3.45	2.90
Inflation assumption (Consumer Prices Index ("CPI")) (note d)	2.75	2.20
Mortality Base Table (note e)	S3PXA with multiplier of 123%	S3PXA with multiplier of 123%
Mortality Improvements	CMI 2020 with 1.00% long-term improvement rate, 6.5 smoothing factor, 0 initial parameter & a W2020 parameter of 10%	CMI 2018 with 1.00% long-term improvement rate, 6.5 smoothing factor & default initial additional parameter
Levelling Pension Option take-up percentage (note f)	33.0	33.0
Commutation percentage	All members commute 100% of maximum tax free lump sum	All members commute 100% of maximum tax free lump sum

Notes:

- (a) Pensionable pay was frozen with effect from 5 April 2010.
- (b) In respect of pensions in excess of the guaranteed minimum pension in the 1999 and 2001 sections of the Plan.
- (c) In respect of guaranteed minimum pension earned after 6 April 1988.
- (d) Following changes in applicable legislation, inflationary increases applied to the value of deferred members' pension liabilities have been recalculated using CPI rather than the RPI inflation index.
- (e) The mortality base table has been selected following a detailed analysis of the Plan's members.
- (f) The take-up percentage has been determined based upon average take-up of the option since its introduction.

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Retirement benefit obligation (continued)

The life expectancies implied by the mortality assumptions used in the pension valuation (making allowance for projected future improvement in mortality) are:

	2021 Years	2020 Years
Current pensioner when aged 65:		
Male	19.9	19.9
Female	22.5	22.3
Future pensioner when aged 65:		
Male	20.8	20.9
Female	23.7	23.5

The amount recognised in the balance sheet in respect of the Plan for the current year is as follows:

	2021 £000	2020 £000
Fair value of Plan assets:		
Equities (quoted)	18,389	14,963
Property	12,479	12,969
Cash	10,293	2,198
Public liability driven investment and credit	34,114	39,540
Private markets	43,356	46,644
Insurance policies	118	167
	118,749	116,481
Present value of funded obligations	(151,265)	(162,197)
	(32,516)	(45,716)

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Retirement benefit obligation (continued)

The amounts recognised in the profit and loss account in respect of the Plan are as follows.

	2021	2020
	£000	£000
Current service cost	258	303
Prior service cost	86	-
Administration cost	435	432
Employer contributions paid by other participating employers	(2,123)	(1,635)
Interest cost	2,535	2,996
Interest income on plan assets	(1,827)	(2,226)
	<u>(636)</u>	<u>(130)</u>

The current service cost, prior service cost, employer contributions paid by other participating employers and administration costs are included in the administration expenses caption in the income statement. The net interest cost is included in the other finance costs caption in the income statement.

Movements in the present value of the defined benefit obligations are as follows:

	2021	2020
	£000	£000
Defined benefit obligation at 1 October	162,197	161,155
Current service cost	258	303
Past service cost	86	-
Interest cost	2,535	2,996
Member contributions	53	67
Benefits paid	(7,554)	(7,046)
Actuarial losses - changes in financial assumptions	(6,220)	5,346
Actuarial losses - demographic assumptions	(90)	(973)
Experience losses on liabilities	-	349
Defined benefit obligation at 30 September	<u>151,265</u>	<u>162,197</u>

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Retirement benefit obligation (continued)

Changes in the fair value of the Plan's assets are as follows:

	2021	2020
	£000	£000
Fair value of scheme assets at 1 October	116,481	119,461
Employer contributions paid by the Company	1,165	1,165
Employer contributions paid by other participating employers	2,123	1,635
Contributions by scheme participants	53	67
Administration cost	(435)	(432)
Interest income	1,827	2,226
Benefits paid	(7,554)	(7,046)
Return on plan assets	5,089	(595)
Fair value of scheme assets at 30 September	118,749	116,481

The actual return on the Plan's assets was a gain of approximately £5,089,000 (2020 - loss of £595,000).

The amount, before tax, recognised in the statement of comprehensive income is as follows:

	2021	2020
	£000	£000
Actuarial gain/(loss)	11,399	(5,317)

The actuarial valuation showed that the market value of the Plan's assets at 30 September 2021 was £118,749,000 (2020 – £116,481,000) and that the actuarial value of these assets represented 79% (2020 - 72%) of the benefits that had accrued to members. The shortfall of £32,516,000 (2020 – £45,716,000) is subject to variation as, going forward, assumptions and investment conditions may change. The current deficit and any future liabilities, as calculated by the Plan actuary, will be cleared in accordance with current UK pension's legislation and after consultation and agreement between the Trustees and the Company.

18. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £0.25 each	25	25

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Contingent liabilities

Pledge of assets

At the reporting date, the banking facilities of the UK subsidiaries of Spear & Jackson Group Limited (the "UK Group") with the HSBC UK Bank plc comprise asset-backed lending facilities (confidential invoice discounting and inventory borrowing line).

The asset-backed lending facilities are secured on certain trade receivables and inventories in the UK trading operations of the UK Group.

Additionally, the UK Group's net cash balances with HSBC form a pooled fund. Individual account balances may be in an overdrawn position but, collectively a positive net pooled position is required. As part of this pooled fund arrangement, the Company has entered into a cross guarantee to guarantee any bank borrowings within that pooled fund. At 30 September 2021, the extent of this guarantee was £18,013,000 (2020 - £18,181,000). The net pooled cash position at 30 September 2021 was £126,000 (2020 - £50,000).

Refer to note 17 in respect of the security and guarantees that are in place in relation to the James Neill Pension Plan.

Other

The Company is, from time to time, subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to personal injury claims, customer contract matters, employment claims and environmental matters.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, the directors of the Company believe that the aggregate amount of such liabilities, if any, in excess of amounts accrued, will not have a material adverse effect on the financial position or results of operations of the Company.

20. Capital commitments

At 30 September 2021 the Company had capital commitments as follows:

	2021 £000	2020 £000
Contracted for but not provided in these financial statements	5	-
	<u>5</u>	<u>-</u>

JAMES NEILL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Commitments under operating leases

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£000	£000
Land and buildings		
Within one year	7	7
Between one and five years	26	26
More than five years	386	392
	<u>419</u>	<u>425</u>
	<u><u>419</u></u>	<u><u>425</u></u>
	2021	2020
	£000	£000
Motor vehicles		
Within one year	8	16
Between one and five years	1	9
	<u>9</u>	<u>25</u>
	<u><u>9</u></u>	<u><u>25</u></u>

22. Operating lease arrangements as lessor

At the 30 September 2021 Company had contracted with tenants for the following minimum lease payments:

	2021	2020
	£000	£000
Within one year	7	83
Between one and five years	26	26
More than five years	386	392
	<u>419</u>	<u>501</u>
	<u><u>419</u></u>	<u><u>501</u></u>