

Lloyd & Jones Engineers Limited

Registered number: 01751835

Annual report

For the year ended 31 October 2018

WEDNESDAY



A13 *A8AUK2SY* #255
31/07/2019
COMPANIES HOUSE

LLOYD & JONES ENGINEERS LIMITED

COMPANY INFORMATION

Directors	Mr J Birch Mr S Ranson Mr A Boden Mrs C Birch Mr D Lester
Company secretary	Mr J Birch
Registered number	01751835
Registered office	Langton House 74 Regent Road Liverpool L20 1BL
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditors 14th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	Svenska Handelsbanken AB First Floor 166 -169 Exchange Station Tithebarn Street Liverpool L2 2QP

LLOYD & JONES ENGINEERS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 34

LLOYD & JONES ENGINEERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

Business review

The company's principal activity during the year was that of merchants of engineering supplies, manufacturer of abrasive products, and supplier of specialist cutting tools and welding products. The company is wholly owned by its parent company, Lloyd & Jones Engineers (Holdings) Limited.

The company is headquartered in Liverpool and traded from 19 branches in the year covering the North West, North Wales, Midlands, South-West, and North East of England. Post year-end 2 further branches have been added to the portfolio of sites which has strengthened our presence in the North East, and also expanded our geographical coverage into Yorkshire.

The market in which the company operates has, like others, been affected by economic uncertainty surrounding the UK decision to leave the European Union. In that context, the relative stability of the trading results has been welcome. The key for the business is having the right products available at the right price, delivered to our customers through the expertise and knowledge of our staff. The implementation of this strategy is essential to ensure the continued future success of the company.

Principal risks and uncertainties

Key risks have been monitored by the board throughout the year to identify changes and respond as required.

The most significant principal risk throughout the year and post-year end has been business strategy. If the wrong strategy is adopted or the strategy is not implemented effectively then the business may be negatively impacted. The sector continues to evolve and the market place includes both large national and local competitors. Products and prices are carefully monitored to ensure that the business maintains market share, and the board have taken the decision to expand the branch network as well as developing our on-line offering to diversify the risk of competitive forces so far as possible.

The impact of the difficult economic climate throughout the year on both suppliers and customers continues to affect the company in its ability to generate increased revenues and manage costs. The risk has been carefully managed by regularly reviewing our pricing propositions. External cost pressures such as rising fuel costs, business rates, and wage inflation have affected the company during the year, but we have always attempted to mitigate the impact of these cost pressures on our customers and on overall profitability through cost saving measures wherever we can.

The company employed, on average, 162 staff during the year who were critical to the success of our branch network and invaluable in the help and support that we provide to our customers. Attracting and maintaining good relations with staff is essential to maximising branch performance so throughout the year our employment policies and salary packages were reviewed so as to be competitive with other employers.

With a large array of available stock lines to support customer needs, it is important that stock levels are reviewed and carefully managed so as to minimise the risk to the business of obsolete stock. The board regularly review overall stock levels and stock holding periods to ensure that stock lines are continually moving and that obsolete stock is identified and dealt with at the appropriate time. A supplier and stock reduction program continues to optimise performance in this critical area.

There is ongoing uncertainty about the impact of Britain exiting the European Union. While decision makers are clearly unsure about anyway forward, it is not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy. Risks being considered include a slowdown in demand resulting from uncertainty, potential disruption to supply lines, and potential adverse currency movements in sterling against the Euro, all of which the directors will continue to monitor closely.

LLOYD & JONES ENGINEERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

Financial key performance indicators

The financial results and balance sheet position are set out on page 8 and 9 of the financial statements.

Turnover from operations has increased by 11.6% from £22.4 million to £24.9 million for the year under review. Gross margin has increased slightly from 29.0% to 29.2% which is due to the cost increases outlined above managed better with our suppliers. The operating profit before exceptional items for the year is £0.7 million which has decreased slightly from £0.8 million last year, and the profit before tax for the year is £0.7 million.

The balance sheet net assets at 31 October 2018 total £4.6 million which is an increase on the prior year of £4.5 million as a result of retained profits for the year of £0.5 million less dividends paid to the parent company of £0.4 million. Bank borrowings have increased in the year to fund acquisition activity, although all borrowing is secured over available company and group assets, and the company has committed available facilities for the foreseeable future.

Overall the company has significant net assets and net current assets and is in a strong position to look forward to future periods with continued confidence.

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


Mr J Birch
Director

Date: 17/07/19

LLOYD & JONES ENGINEERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

Principal activity

The principal activity of the company during the year was that of merchants of engineering supplies, manufacturer of abrasive products, and supplier of specialist cutting tools and welding products.

Results and dividends

The profit for the year, after taxation, amounted to £513,315 (2017 - £590,688).

Dividends totalling £400,000 (2017: £400,000) were paid in the year.

Directors

The directors who served during the year were:

Mr J Birch
Mr S Ranson
Mr A Boden
Mrs C Birch
Mr D Lester

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make 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.

LLOYD & JONES ENGINEERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

Financial risk management objectives and policies

The company minimises financial risk by ensuring there are sufficient internal controls in place to reduce the risk of fraud and error occurring.

The company maintains a fully integrated stock and accounting system which reduces some of the financial risk, and all new accounts are credit checked to reduce potential bad debt.

The company manage the finance requirements of the business in conjunction with our funds provider.

Any further risks are managed as required.

Future developments

The future developments of the company will in the short term be affected by the current economic uncertainty. There is a recent history of acquisitions of the trade and assets of similar types of businesses and this trend will continue should the 'right business at the right price' be identified by the directors.

Disclosure of information to auditors

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

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

Post balance sheet events

Details of post balance sheet events are disclosed in note 28 to the financial statements.

Auditors

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

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


Mr J Birch
Director

Date:

17/07/19

Independent auditor's report to the members of Lloyd & Jones Engineers Limited

Opinion

We have audited the financial statements of Lloyd & Jones Engineers Limited (the 'company') for the year ended 31 October 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

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 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 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 this 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

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

Use of the audit report

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



Gareth Hitchmough (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

14th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

30th July 2019

LLOYD & JONES ENGINEERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 £	2017 £
Turnover	3	24,956,660	22,366,122
Cost of sales		(17,664,600)	(15,884,905)
Gross profit		<u>7,292,060</u>	<u>6,481,217</u>
Distribution costs		(4,628,063)	(4,132,008)
Administrative expenses		(1,927,382)	(1,565,778)
Exceptional administrative expenses	4	(335,407)	-
Other operating income	5	3,811	2,900
Operating profit	6	<u>405,019</u>	<u>786,331</u>
Income from fixed assets investments	10	343,824	-
Interest receivable and similar income	11	149	207
Interest payable and expenses	12	(80,171)	(42,665)
Profit before tax		<u>668,821</u>	<u>743,873</u>
Tax on profit	13	(155,506)	(153,185)
Profit for the financial year		<u><u>513,315</u></u>	<u><u>590,688</u></u>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 34 form part of these financial statements.

LLOYD & JONES ENGINEERS LIMITED
REGISTERED NUMBER: 01751835

BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	15		631,513		207,037
Tangible assets	16		1,040,464		906,982
Investments	17		98,861		-
			<u>1,770,838</u>		<u>1,114,019</u>
Current assets					
Stocks	18	3,109,801		2,446,490	
Debtors: amounts falling due within one year	19	6,948,101		6,277,782	
Cash at bank and in hand	20	136,442		52,458	
		<u>10,194,344</u>		<u>8,776,730</u>	
Creditors: amounts falling due within one year	21	(7,227,947)		(5,274,796)	
Net current assets			<u>2,966,397</u>		<u>3,501,934</u>
Total assets less current liabilities			<u>4,737,235</u>		<u>4,615,953</u>
Provisions for liabilities					
Deferred tax	22		(76,665)		(68,698)
Net assets			<u><u>4,660,570</u></u>		<u><u>4,547,255</u></u>
Capital and reserves					
Called up share capital	23		15,200		15,200
Capital redemption reserve	24		34,800		34,800
Profit and loss account	24		4,610,570		4,497,255
			<u><u>4,660,570</u></u>		<u><u>4,547,255</u></u>

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


Mr J Birch
 Director

Date: 17/07/19

The notes on pages 11 to 34 form part of these financial statements.

LLOYD & JONES ENGINEERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 November 2016	15,200	34,800	4,306,567	4,356,567
Comprehensive income for the year				
Profit for the year	-	-	590,688	590,688
Dividends: Equity capital	-	-	(400,000)	(400,000)
At 1 November 2017	15,200	34,800	4,497,255	4,547,255
Comprehensive income for the year				
Profit for the year	-	-	513,315	513,315
Dividends: Equity capital	-	-	(400,000)	(400,000)
At 31 October 2018	15,200	34,800	4,610,570	4,660,570

The notes on pages 11 to 34 form part of these financial statements.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Lloyd & Jones Engineers Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England. The registered office is Langton House, 74 Regent Road, Liverpool, L20 1BL.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The 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 the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lloyd & Jones Engineers (Holdings) Limited as at 31 October 2018 and these financial statements may be obtained from Registrar of Companies.

1.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.4 Revenue

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

Sale of goods

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

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

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following bases:

Goodwill	-	20 % straight line
Other intangible fixed assets	-	20 % straight line

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant, machinery & equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

1.12 Creditors

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

1.13 Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

1.14 Finance costs

Finance costs are charged to the Income Statement 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.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.15 Dividends

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

1.16 Pensions

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.17 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

1.18 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

1.19 Provisions for liabilities

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

Provisions are charged as an expense to the Income Statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

1.21 Exceptional items

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

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

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

Assessing indicators of impairment

The directors have determined whether there are indicators of impairment of the company's investments, tangible assets, and intangible assets including goodwill. 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.

Key sources of estimation uncertainty

Other key sources of estimation uncertainty are detailed below:

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The company establish a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability and the credit profile of individual or groups of customers.

Determining the stock provision

The company provides stock provisions on slow moving and obsolete stock. Management undertake an assessment of which stocks are no longer economically feasible, based on seasonal and consumer performance, before allocating the necessary provisions to bring the stock valuation in line with the accounting policy stated above.

Determining residual values and useful economic lives of tangible fixed assets

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 the 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.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

3. Turnover

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	24,835,793	22,159,644
Rest of the world	120,867	206,478
	<u>24,956,660</u>	<u>22,366,122</u>

4. Exceptional items

	2018 £	2017 £
Impairment of fixed asset investment	335,407	-
	<u>335,407</u>	<u>-</u>

See fixed asset investment note 17 to the financial statements for further detail.

5. Other operating income

	2018 £	2017 £
Insurance claims receivable	3,811	2,900
	<u>3,811</u>	<u>2,900</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	265,086	232,835
Amortisation of intangible assets, including goodwill	147,719	77,814
Exchange differences	(1,396)	-
Loss on sale of tangible assets	16,602	21,954
	<u>427,011</u>	<u>332,603</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	16,250	8,750

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

8. Employees

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

	2018 £	2017 £
Wages and salaries	3,909,137	3,521,827
Social security costs	349,705	319,537
Cost of defined contribution scheme	83,977	76,722
	4,342,819	3,918,086

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

	2018 No.	2017 No.
Distribution and sales staff	136	126
Administrative staff	26	24
	162	150

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	293,116	295,790
Company contributions to defined contribution pension schemes	4,008	10,851
	<u>297,124</u>	<u>306,641</u>

During the year retirement benefits were accruing to 3 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £88,857 (2017 -£82,066).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £633 (2017 - £NIL).

10. Income from investments

	2018 £	2017 £
Dividends received from subsidiaries	343,824	-
	<u>343,824</u>	<u>-</u>

11. Interest receivable

	2018 £	2017 £
Bank interest receivable	149	207
	<u>149</u>	<u>207</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

12. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	5,320	4,837
Invoice discounting interest payable	74,851	37,828
	<u>80,171</u>	<u>42,665</u>

13. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	153,000	142,889
Total current tax	<u>153,000</u>	<u>142,889</u>
Deferred tax		
Origination and reversal of timing differences	2,506	10,296
Taxation on profit on ordinary activities	<u>155,506</u>	<u>153,185</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	668,821	743,873
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19%)	127,076	141,336
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation	33,086	13,704
Capital allowances for year in excess of depreciation	(6,463)	(4,899)
Other differences leading to an increase in the tax charge	1,807	3,044
Total tax charge for the year	155,506	153,185

UK corporation tax rates are to reduce to 17% from 1 April 2020.

14. Dividends

	2018 £	2017 £
Dividends paid on equity capital	400,000	400,000

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

15. Intangible assets

	Other intangibles £	Goodwill £	Total £
Cost			
At 1 November 2017	10,000	404,071	414,071
Additions through business combinations (note 25)	-	420,952	420,952
Transfer from investments (note 17)	-	151,243	151,243
At 31 October 2018	10,000	976,266	986,266
Amortisation			
At 1 November 2017	8,000	199,034	207,034
Charge for the year	2,000	145,719	147,719
At 31 October 2018	10,000	344,753	354,753
Net book value			
At 31 October 2018	-	631,513	631,513
At 31 October 2017	2,000	205,037	207,037

Additions through business combinations in the year arise from the acquisition of Preisser UK Limited and Thos. Proctor & Sons Limited as detailed in business combinations note 25 to the financial statements.

The transfer from investments is detailed in note 17 to the financial statements.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

16. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Plant, machinery & equipment £	Total £
Cost or valuation				
At 1 November 2017	861,520	209,245	1,244,512	2,315,277
Additions	312,648	20,559	120,045	453,252
Additions through business combinations (note 25)	8,500	-	21,628	30,128
Disposals	(189,357)	-	(18,009)	(207,366)
At 31 October 2018	993,311	229,804	1,368,176	2,591,291
Depreciation				
At 1 November 2017	359,063	166,627	882,605	1,408,295
Charge for the year on owned assets	138,260	12,966	113,860	265,086
Disposals	(106,002)	-	(16,552)	(122,554)
At 31 October 2018	391,321	179,593	979,913	1,550,827
Net book value				
At 31 October 2018	601,990	50,211	388,263	1,040,464
At 31 October 2017	502,457	42,618	361,907	906,982

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

17. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	585,511
Transfer to goodwill (note 15)	(151,243)
At 31 October 2018	<u>434,268</u>
Impairment	
Charge for the period	<u>335,407</u>
At 31 October 2018	<u>335,407</u>
Net book value	
At 31 October 2018	<u>98,861</u>
At 31 October 2017	<u>-</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Central Polishing Supply Co. Limited	Ordinary	100%
Tooltek Supplies Limited	Ordinary	100%

The registered address of Central Polishing Supply Co. Limited is Unit 4, Carlyon Road, Atherstone, CV9 1JE, United Kingdom.

The registered address of Tooltek Supplies Limited is PO Box 29, c/o Lloyd & Jones Engineers Ltd, Regent Road, Bootle, L20 1BL, United Kingdom.

Central Polishing Supply Co. Limited (registration number: 01685316) and Tooltek Supplies Limited (registration number: 02401883) are exempt from the requirement for audit of their individual financial statements under section 479A of the Companies Act 2006.

On 1 June 2018, the company acquired the entire issued share capital of Tooltek Supplies Limited. The fair value of the net assets acquired, goodwill arising, and detail of how the acquisition cost was satisfied is set out in the business combinations note 25 to the financial statements.

On 30 June 2018, the trade and net assets of Tooltek Supplies Limited were sold to Lloyd & Jones Engineers Limited. The consideration was equal to the fair value of net assets at that date with no value attributed to the goodwill acquired. In accordance with the provisions of UK accounting standards, a transfer of £151,243 has been made from the cost of investment to goodwill, the amount transferred equivalent to the goodwill arising at the date of acquisition.

On 30 June 2018, Tooltek Supplies Limited paid a dividend to Lloyd & Jones Engineers Limited of £343,824, this comprised the net assets of Tooltek Supplies Limited with the exception of £100. Tooltek Supplies Limited has been dormant from that date, so accordingly an investment impairment charge of £335,407 has been recognised by the company.

The remaining investments carried forward represent the acquisition cost of Central Polishing Supply Co. Limited and the £100 nominal value of the issued share capital of Tooltek Supplies Limited.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

18. Stocks

	2018 £	2017 £
Raw materials and finished goods for resale	3,109,801	2,446,490

Included within raw materials and finished goods for resale is £543,167 (2017: £573,908) of stock on consignment at customers' premises. As Lloyd & Jones Engineers Limited bears the risks, this stock remains their property until used by the customer.

Stock recognised in cost of sales during the year as an expenses was £18,327,913 (2017: £16,062,699).

Impairment losses of £20,943 (2017: £108,670) have been recognised in cost of sales during the year due to slow-moving and obsolete stock.

19. Debtors

	2018 £	2017 £
Trade debtors	5,735,825	4,907,224
Amounts owed by group undertakings	57,186	252,778
Other debtors	987,565	987,565
Prepayments and accrued income	167,525	130,215
	<u>6,948,101</u>	<u>6,277,782</u>

The invoice discounting facility is secured by way of a fixed charge over eligible trade debtors.

20. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	136,442	52,458
Less: bank overdrafts	(402,288)	(282,389)
	<u>(265,846)</u>	<u>(229,931)</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

21. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	402,288	282,389
Trade creditors	3,590,907	2,668,918
Amounts owed to group undertakings	213,252	100
Corporation tax	161,022	142,889
Other taxation and social security	421,571	361,291
Invoice discounting	2,019,532	1,407,738
Other creditors	116,688	160,842
Accruals and deferred income	302,687	250,629
	<u>7,227,947</u>	<u>5,274,796</u>

Svenska Handelsbanken AB holds a debenture including a fixed and floating charge over all present freehold and leasehold properties and all other assets and undertakings, both present and future, dated 18 September 2014 to secure bank overdrafts and invoice discounting facilities.

22. Deferred taxation

	2018 £	2017 £
At beginning of year	(68,698)	(58,402)
Charged to profit or loss	(2,506)	(10,296)
Acquired with Tooltek Supplies Limited (note 25)	(5,461)	-
At end of year	<u>(76,665)</u>	<u>(68,698)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>76,665</u>	<u>68,698</u>

No reversal of the deferred tax liability is expected over the next 12 months.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

23. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
15,200 (2017 - 15,200) "A" Ordinary shares of £1 each	15,200	15,200

The company has one class of ordinary shares which carry voting rights but no right to fixed income.

24. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit & loss account

The profit and loss reserve comprises accumulated profits and losses generated by the company less any dividends voted by the balance sheet date.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

25. Business combinations

Business combinations are accounted for using the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed plus the costs directly attributable to the business combination.

On 22 December 2017 Lloyd & Jones Engineers Limited entered into a purchase agreement for the acquisition of the business and certain net assets of Preisser UK Limited. Total cash purchase consideration was £162,384 and the fair value of net assets acquired (as set out below) were £140,528. Purchased goodwill on acquisition was £21,856.

On 8 May 2018 Lloyd & Jones Engineers Limited entered into a purchase agreement for the acquisition of the business and certain net assets of Thos. Proctor & Sons Limited. Total cash purchase consideration was £490,092 and the fair value of net assets acquired (as set out below) were £91,000. Purchased goodwill on acquisition was £399,092.

The following tables set out a summary of the assets acquired and liabilities assumed during the transactions together with the results since acquisition.

Acquisition of Preisser UK Limited

	Book value £	Fair value £
Fixed assets		
Tangible	5,128	5,128
Current assets		
Stocks	142,281	142,281
Debtors	74,649	74,649
Creditors		
Due within one year	(81,530)	(81,530)
Total identifiable net assets	<u>140,528</u>	<u>140,528</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

25. Business combinations (continued)

The results of Preisser UK Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	103,567
Profit for the period	30,034

Acquisition of Thos. Proctor & Sons Limited

	Book value £	Fair value £
Fixed assets		
Tangible	25,000	25,000
Intangible	3	3
Current assets		
Stocks	65,997	65,997
Total identifiable net assets	91,000	91,000

The results of Thos. Proctor & Sons Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	1,164,509
Loss for the period	(21,657)

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

25. Business combinations (continued)

Acquisition of Central Polishing Supply Co. Limited

On 31 May 2018 Lloyd & Jones Engineers Limited entered into a purchase agreement for the acquisition of the entire share capital of Central Polishing Supply Co. Limited. Total cash purchase consideration was £98,762 and the fair value of net assets acquired (as set out below) were £98,762. Goodwill on acquisition was £NIL.

	Book value £	Fair value £
Fixed assets		
Tangible	13,810	13,810
Current assets		
Stocks	46,521	46,521
Debtors	71,799	71,799
Cash at bank and in hand	25,865	25,865
Creditors		
Due within one year	(59,233)	(59,233)
Total identifiable net assets	<u>98,762</u>	<u>98,762</u>

The results of Central Polishing Supply Co. Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	<u>167,980</u>
Loss for the period	<u>(34,541)</u>

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

25. Business combinations (continued)

Acquisition of Tooltek Supplies Limited

On 1 June 2018 Lloyd & Jones Engineers Limited entered into a purchase agreement for the acquisition of the entire share capital of Tooltek Supplies Limited. Total cash purchase consideration was £486,750 and the fair value of net assets acquired (as set out below) were £335,507. Goodwill on acquisition was £151,243 which was crystallised when the business and net assets of Tooltek Supplies Limited were sold to the company on 30 June 2018 as detailed in note 17 to the financial statements.

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	151,922	57,860	209,782
Current assets			
Stocks	78,000	-	78,000
Debtors	124,541	-	124,541
Cash at bank and in hand	71,417	-	71,417
Creditors			
Due within one year	(142,772)	-	(142,772)
Deferred tax	(5,461)	-	(5,461)
Total identifiable net assets	<u>277,647</u>	<u>57,860</u>	<u>335,507</u>

The results of Tooltek Supplies Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	<u>354,533</u>
Loss for the period	<u>(13,974)</u>

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £83,977 (2017: £76,722). Contributions totalling £11,298 (2017: £NIL) were payable to the fund at the balance sheet date.

LLOYD & JONES ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

27. Related party transactions

The company has taken advantage of the exemptions under FRS 102 which permit subsidiaries not to disclose transactions with other group companies which are wholly owned by the group.

Included in creditors at the year end date is a director's loan account balance of £100,534 (2017: £160,842) with Mr J Birch. This loan account accrues interest at a rate of 5% per annum.

Mr J Birch is a shareholder of Target Tools Limited. Included in debtors at the year end date is a loan balance of £900,000 (2017: £900,000) with Target Tools Limited. During the year the company made sales of 73,102 (2017: £nil) to Target Tools Limited and was owed £13,002 (2017: £nil) at the year end date. During the year the company made purchases from Target Tools Limited of £124,102 (2017: £12,782) and owed £10,718 (2017: £nil) at the year end date.

During the year the company rented premises owned by the Lloyd & Jones Engineers Limited Retirement & Death Benefit Scheme. Rent of £225,983 (2017: £175,150) was payable in respect of these premises.

Included in debtors at the year end date was a balance of £87,565 (2017: £87,565) due from the Lloyd & Jones Engineers Limited Retirement & Death Benefit Scheme.

There are no other transactions that are required to be disclosed under FRS 102.

28. Post balance sheet events

On 1 February 2019 the trade and net assets of the wholly owned subsidiary undertaking Central Polishing Supply Co. Limited were sold to Lloyd & Jones Engineers Limited under the terms of a formal legal agreement. Central Polishing Supply Co. Limited ceased to trade at that date.

In July 2019 the company bought the shares in European Welding Supplies Limited which added two further new branches in Barnsley and Immingham.

29. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent company to be Lloyd & Jones Engineers (Holdings) Limited. Mr J Birch was the ultimate controlling party of the parent company throughout the year.

The company is a wholly owned subsidiary of Lloyd & Jones Engineers (Holdings) Limited, a company incorporated in England and Wales. A copy of the parent company's group financial statements can be obtained from Companies House.