

JBS Industries Limited

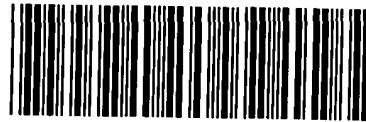
Report and Financial Statements

Year Ended

28 February 2018

Company Number 02846167

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JBS Industries Limited

Report and financial statements for the year ended 28 February 2018

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Directors

A J McKinley
J S Houlihan

Secretary and registered office

A J McKinley, Unit 11, Pennington Close, Albion Road, West Bromwich, West Midlands, B70 8BA

Company number

02846167

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

JBS Industries Limited

Strategic report for the year ended 28 February 2018

The directors present their strategic report together with the audited financial statements for the year ended 28 February 2018.

Business review

The principal activity of the company is that of a holding company for the group providing certain management services for its subsidiaries. The group's main activities are the manufacture and supply of sliding door systems, door and window fittings, the supply and installation of acoustic walls and flooring and the manufacture of aluminium and PVCU windows, doors and conservatories.

Group sales have risen by 6.8% over the previous year with much of the increase coming from the groups new build operation, Solair Limited, as the UK housing market continues its recovery. Operating profit has fallen significantly during the year largely due to a number of unprofitable contracts completed by Solair. The directors have made provisions against the recoverability of debts from these contracts, which has resulted in a significant one off hit to profits. Other group companies continue to trade profitably.

Whilst the economic climate continues to be challenging the directors are confident that the outcome for the current period will result in continued profitability and positive cashflows.

Principal risks and uncertainties

Competitive risk

The group recognises the need to maintain levels of customer satisfaction in order to retain loyalty and, therefore, continuing business. Product enhancements and new products are constantly investigated to improve our offering to existing customers and new customers are actively sought.

Credit risk

To mitigate the effect of this the group insures all of its trade debtors.

Liquidity risk

The group monitors cash flows on a weekly basis and is determined to eliminate the dependence on external finance as soon as practicable.

The group currently has a loan facility of £2.0m provided by the Royal Bank of Scotland and an overdraft facility of £400,000 from the same bank. The directors have produced forecasts through to February 2020 based on the reasonable expectations of customer demand over this period and are confident that the company will have adequate cash resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

JBS Industries Limited

Strategic report for the year ended 28 February 2018 (continued)

Key performance indicators

Management review orders, sales, profitability and cash flow on a weekly basis which enables them to react promptly to any issues.

The group's key financial performance indicators during the period were:

	2018 £	2017 £
Turnover	34,519,500	32,303,852
Operating profit	794,460	1,454,833
Operating cash flows	402,190	990,257
Shareholders' funds	6,140,738	5,844,119

This report was approved by the board on 29 November 2018 and signed on its behalf.


A J McKinley
Director

JBS Industries Limited

Directors' report for the year ended 28 February 2018

The directors present their report together with the audited financial statements for the year ended 28 February 2018.

Results and dividends

The profit for the year, after taxation, amounted to £536,676 (2017 - £1,105,314).

Dividends of £311,700 were paid during the year (2017 - £363,650). The directors do not propose the payment of a final dividend.

Principal activity

The Group's principal activities are as detailed in the strategic report on page 1.

Employee involvement

Procedures appropriate to each location are in operation to inform and consult with employees on matters affecting them as individuals and the group as a whole. The group gives equal consideration to applications for employment from disabled persons.

Disabled employees

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

Post balance sheet events

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

Directors

The directors of the company during the year were:

A J McKinley
J S Houlihan

Qualifying third party indemnity

Third party indemnity cover for the directors was in force during the year.

JBS Industries Limited

Directors' report for the year ended 28 February 2018 (continued)

Directors' responsibilities

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). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 Group will continue in business.

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

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

Auditors

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

This report was approved by the board on 29 November 2018 and signed on its behalf.


A J McKinley
Director

JBS Industries Limited

Independent auditor's report

TO MEMBERS OF JBS INDUSTRIES LIMITED

Opinion

We have audited the financial statements of JBS Industries Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 28 February 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 28 February 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

JBS Industries Limited

Independent auditor's report (*continued*)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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

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

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

JBS Industries Limited

Independent auditor's report (*continued*)

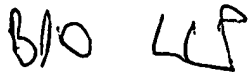
Auditor's responsibilities for the audit of the financial statements

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 at the Financial Reporting Council's website at: <https://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.



*Thomas Lawton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Birmingham
United Kingdom*

Date: 30 November 2018

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

JBS Industries Limited

Consolidated statement of comprehensive income for the year ended 28 February 2018

	Note	2018 £	2017 £
Turnover	3	34,519,500	32,303,852
Cost of sales		(25,268,049)	(23,018,955)
Gross profit		9,251,451	9,284,897
Distribution costs		(4,445,880)	(4,117,175)
Administrative expenses		(4,011,111)	(3,712,889)
Operating profit	6	794,460	1,454,833
Interest receivable and similar income	7	974	108
Interest payable	8	(2,306)	(5,900)
Other finance costs	9	(149,000)	(146,000)
Profit before taxation		644,128	1,303,041
Taxation on profit	10	(107,452)	(197,727)
Profit for the year		536,676	1,105,314
Actuarial gains/(losses) on defined benefit pension		99,000	(987,000)
Movement of deferred tax relating to pension scheme		(27,357)	169,230
Other comprehensive income for the year		71,643	(817,770)
Total comprehensive income for the year		608,319	287,544

All profit and comprehensive income is attributable to the owners of the parent company.

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Consolidated statement of financial position for the year ended 28 February 2018

<i>Company number 02846167</i>	<i>Note</i>	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	13		2,217,396		2,188,492
Current assets					
Stocks	15	3,807,660		3,466,391	
Debtors	16	6,208,128		6,089,330	
Cash at bank and in hand	17	1,114,757		1,541,777	
		<u>11,130,545</u>		<u>11,097,498</u>	
Creditors: amounts falling due within one year	18	<u>(4,861,203)</u>		<u>(4,973,404)</u>	
Net current assets			<u>6,269,342</u>		<u>6,124,094</u>
Total assets less current liabilities			<u>8,486,738</u>		<u>8,312,586</u>
Creditors: amounts falling due after more than one year	19		-		(3,467)
Net assets excluding provisions			<u>8,486,738</u>		<u>8,309,119</u>
Provisions for liabilities	20		<u>(2,346,000)</u>		<u>(2,465,000)</u>
Net assets			<u>6,140,738</u>		<u>5,844,119</u>
Capital and reserves					
Called up share capital	24		259,750		259,750
Share premium account	25		489,600		489,600
Capital redemption reserve	25		1,504,650		1,504,650
Profit and loss account	25		3,886,738		3,590,119
Equity attributable to owners of the parent company			<u>6,140,738</u>		<u>5,844,119</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2018.

A J McKinley
Director

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Company statement of financial position at 28 February 2018

<i>Company number 02846167</i>	<i>Note</i>	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	14		3,852,140		3,852,140
Current assets					
Debtors	16	3,507,416		2,753,311	
Cash at bank and in hand	17	-		578,003	
		<u>3,507,416</u>		<u>3,331,314</u>	
Creditors: amounts falling due within one year	18	<u>(2,493,542)</u>		<u>(2,401,728)</u>	
Net current assets			<u>1,013,874</u>		<u>929,586</u>
Total assets less current liabilities			<u>4,866,014</u>		<u>4,781,726</u>
Provisions for liabilities	20		<u>(2,246,000)</u>		<u>(2,365,000)</u>
Net assets			<u>2,620,014</u>		<u>2,416,726</u>
Capital and reserves					
Called up share capital	24		259,750		259,750
Share premium account	25		489,600		489,600
Capital redemption reserve	25		1,504,650		1,504,650
Profit and loss account	25		366,014		162,726
Shareholders' funds			<u>2,620,014</u>		<u>2,416,726</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £429,717 (2017 - £535,491).

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2018.


A J McKinley
Director

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Consolidated statement of changes in equity for the year ended 28 February 2018

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 March 2017	259,750	489,600	1,504,650	3,590,119	5,844,119
Comprehensive income for the year					
Profit for the year	-	-	-	536,676	536,676
Actuarial gains on pension scheme	-	-	-	99,000	99,000
Taxation in respect of items of other comprehensive income	-	-	-	(27,357)	(27,357)
Other comprehensive income for the year	-	-	-	71,643	71,643
Total comprehensive income for the year	-	-	-	608,319	608,319
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(311,700)	(311,700)
Total transactions with owners	-	-	-	(311,700)	(311,700)
At 28 February 2018	259,750	489,600	1,504,650	3,886,738	6,140,738

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Consolidated statement of changes in equity for the year ended 28 February 2017 *(continued)*

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 March 2016	259,750	489,600	1,504,650	3,666,225	5,920,225
Comprehensive income for the year					
Profit for the year	-	-	-	1,105,314	1,105,314
Actuarial losses on pension scheme	-	-	-	(987,000)	(987,000)
Taxation in respect of items of other comprehensive income	-	-	-	169,230	169,230
Other comprehensive income for the year	-	-	-	(817,770)	(817,770)
Total comprehensive income for the year	-	-	-	287,544	287,544
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(363,650)	(363,650)
Total transactions with owners	-	-	-	(363,650)	(363,650)
At 28 February 2017	259,750	489,600	1,504,650	3,590,119	5,844,119

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Company statement of changes in equity for the year ended 28 February 2018

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total Equity £
At 1 March 2017	259,750	489,600	1,504,650	162,726	2,416,726
Comprehensive income for the year					
Profit for the year	-	-	-	429,717	429,717
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Actuarial gains on pension scheme	-	-	-	99,000	99,000
Taxation in respect of items of other comprehensive income	-	-	-	(13,729)	(13,729)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	85,271	85,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year				514,988	514,988
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(311,700)	(311,700)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-	(311,700)	(311,700)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2018	259,750	489,600	1,504,650	366,014	2,620,014
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The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Company statement of changes in equity for the year ended 28 February 2017 *(continued)*

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total Equity £
At 1 March 2016	259,750	489,600	1,504,650	785,885	3,039,885
Comprehensive income for the year					
Profit for the year	-	-	-	558,261	558,261
Actuarial losses on pension scheme	-	-	-	(987,000)	(987,000)
Taxation in respect of items of other comprehensive income	-	-	-	169,230	169,230
Other comprehensive income for the year	-	-	-	(817,770)	(817,770)
Total comprehensive income for the year	-	-	-	(259,509)	(259,509)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(363,650)	(363,650)
Total transactions with owners	-	-	-	(363,650)	(363,650)
At 28 February 2017	259,750	489,600	1,504,650	162,726	2,416,726

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Consolidated statement of cash flows for the year ended 28 February 2018

	2018 £'000	2017 £'000
Cash flows from operating activities		
Profit for the financial year	536,676	1,105,314
Adjustments for:		
Depreciation of tangible assets	338,636	329,216
Loss on disposal of tangible assets	-	-
Interest charge	2,306	5,900
Interest received	(974)	(108)
Taxation expense	107,452	200,529
Increase in stocks	(341,269)	(527,725)
Increase in debtors	(149,255)	(544,354)
Increase in creditors	102,245	506,980
Increase in provision for dilapidation	-	100,000
Difference between net pension expense and cash contributions	(20,000)	(27,000)
Cash from operations	575,817	1,148,752
Corporation tax	(173,627)	(158,501)
Net cash generated from operating activities	402,190	990,251
Cash flows from investing activities		
Purchase of tangible fixed assets	(367,540)	(320,544)
Interest received	974	108
Net cash from investing activities	(366,566)	(320,436)
Cash flows from financing activities		
Movements on other loans	(70,605)	(12,125)
Capital element of leases paid	(78,033)	(77,830)
Dividends paid	(311,700)	(363,650)
Interest paid	(2,306)	(5,900)
Net cash used in financing activities	(462,644)	(459,505)
Net (decrease)/increase in cash and cash equivalents	(427,020)	210,310
Cash and cash equivalents at beginning of year	1,541,777	1,331,467
Cash and cash equivalents at the end of the year	1,114,757	1,541,777
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	1,114,757	1,541,777

The notes on pages 16 to 36 form part of these financial statements.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018

1 Accounting policies

Basis of preparation of financial statements

JBS Industries Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 Group management to exercise judgement in applying the Company's accounting policies (see note 2).

As detailed in the strategic report the directors have considered the principal risks and uncertainties that apply to the business and have produced cash flow and profit and loss forecasts which show the group is able to operate within its current facilities and continue to meet its obligations as they fall due. Accordingly the directors continue to adopt the going concern basis in preparing these financial statements.

The following principal accounting policies have been applied consistently:

Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

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

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (*continued*)

1 Accounting policies (*continued*)

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 the Group's share 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 statement of income over its useful economic life.

The estimated useful lives range as follows:

Goodwill - 10 years

Tangible fixed assets

Tangible fixed assets 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.

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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	-	1%-2% straight line
Short-term leasehold property	-	1%-2% straight line
Plant and machinery	-	10%-35% straight line
Fixtures and fittings	-	10%-35% straight line
Computer equipment	-	15%-30% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 reporting 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.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (*continued*)

1 Accounting policies (*continued*)

Financial instruments

Basic Financial Instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors and other debtors; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and any subsequent impairment is recognised in profit or loss.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise bank loans and overdrafts, trade creditors, other creditors and accruals; these are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest rate method.

Debtors

Short term debtors are measured at transaction price, less any impairment.

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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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.

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (continued)

1 Accounting policies (continued)

Foreign currency translation (continued)

Transactions and balances

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 Statement of Comprehensive Income.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

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.

Leases

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.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income over the period of the lease.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (*continued*)

1 Accounting policies (*continued*)

Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Interest income

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

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (*continued*)

1 Accounting policies (*continued*)

Borrowing costs

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

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change 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 statement of financial position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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

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 reporting date.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (continued)

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

The group makes certain estimates and assumptions regarding the future. These judgements and estimates affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In preparing these financial statements, the directors have had to make the following judgements and estimates as follows:

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 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 such issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

Stock

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income statement.

Dilapidations provisions

Management's assessment of the future costs expected to be incurred to restore sites to their original condition at the end of their lease term. Management have consulted with external valuers to obtain reasonable estimate of this cost.

Defined benefit pension scheme liability

The financial statements include a net defined benefit pension scheme liability of £2,246,000 (2017 - £2,365,000), comprising assets of £5,999,000 (2017 - £6,154,000) and liabilities of £8,245,000 (2017 - £8,519,000). These liabilities represent the costs expected to be incurred in making payments to current and past employees who are members of the scheme.

The valuation of the pension scheme liability is determined by an actuary using the projected unit method discounted at a rate using the current rate of return on high quality corporate bonds of equivalent term and currency to the liability. Assumptions are made about the mortality of the beneficiaries of the pension scheme, and future rates of inflation. The assumptions underlying this calculation are discussed in more detail in note 28.

Significant changes to the assumptions underlying these calculations over the next financial year could result in significant changes to the carrying value of the pension scheme liability.

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

3 Analysis of turnover

	2018 £	2017 £
Analysis of turnover by country of destination:		
United Kingdom	32,298,562	30,538,682
Rest of Europe	1,471,763	1,247,215
Rest of the world	616,887	376,129
North America	132,288	141,826
	<u>34,519,500</u>	<u>32,303,852</u>

Turnover is wholly attributable to the principal activity of the group.

4 Employees

	2018 £	2017 £
Staff costs consist of:		
Wages and salaries	8,811,491	8,651,000
Social security costs	802,387	761,416
Cost of defined benefit scheme	250,996	257,598
Cost of defined contribution scheme	156,884	152,084
	<u>10,021,758</u>	<u>9,823,098</u>

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

	Number	Number
Production	295	299
Sales	40	39
Administration	63	61
	<u>398</u>	<u>399</u>

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £156,884 (2017 - £152,084). Contributions amounting to £2,144 (2017 - £2,144) were payable to the fund at year end and are included in creditors.

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (continued)

5 Directors' remuneration

	2018 £	2017 £
Directors' emoluments	173,522	168,618
Company contributions to defined contribution pension schemes	29,494	29,494
	<u>203,016</u>	<u>198,112</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

The emoluments of the highest paid director, excluding pension contributions, were £97,515 (2015 - £94,872). During the year no pension contributions (2015 - £Nil) were made in respect of the highest paid director.

6 Operating profit

	2018 £	2017 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	338,636	329,215
Amortisation of intangible assets, including goodwill	-	-
Fees payable to the group's auditor for the audit of the company's annual financial statements	45,000	45,000
Hire of plant and machinery - operating leases	162,689	256,871
Hire of other assets - operating leases	735,804	621,792
Defined contribution pension cost	250,996	152,084
Defined benefit pension costs	156,884	258,598
Cost of inventories expensed	19,083,971	17,965,310
	<u></u>	<u></u>

7 Interest receivable

	2018 £	2017 £
Bank interest income	974	108
	<u></u>	<u></u>

8 Interest payable

	2018 £	2017 £
Bank interest payable	274	210
Finance leases and hire purchase contracts	1,991	5,668
Other interest payable	41	22
	<u></u>	<u></u>
	2,306	5,900
	<u></u>	<u></u>

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (*continued*)

9 Other finance costs

	2018 £	2017 £
Net interest on net defined benefit liability	149,000	146,000

10 Taxation on profit from ordinary activities

	2018 £	2017 £
<i>Corporation tax</i>		
Current tax on profits for the year	126,221	217,867
Adjustment in respect of previous periods	(34,185)	(17,338)
Total current tax	92,036	200,529
<i>Deferred tax</i>		
Origination and reversal of timing differences	6,869	(12,990)
Adjustment in respect of previous periods	8,547	(682)
Changes to tax rates	-	10,870
Total deferred tax	15,416	(2,802)
Taxation on profit on ordinary activities	107,452	197,727

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.08% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	644,128	1,303,041
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.08% (2017 - 20%)	122,899	260,608
Effects of:		
Expenses not deductible for tax purposes	10,191	(35,834)
Adjustments to tax charge in respect of prior periods	(25,638)	9,681
Difference in tax rates	-	13,163
Other timing differences	-	(22,190)
Total tax charge for the year	107,452	225,428

Factors that may affect future tax charges

The reduction in the UK corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020, was substantively enacted at the year end. Accordingly, these rates have been applied in the measurement of the Company's deferred tax assets and liabilities at 28 February 2018.

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (*continued*)

11 Dividends

	2018 £	2017 £
Interim dividends paid of 12p (2017 - 14p)	311,700	363,650

12 Intangible fixed assets

Group	Goodwill on consolidation £
<i>Cost</i>	
At 1 March 2017 and 28 February 2018	5,875,704
<i>Amortisation</i>	
At 1 March 2017 and 28 February 2018	5,875,704
<i>Net book value</i>	
At 28 February 2018	-
At 28 February 2017	-
Company	Purchased goodwill £
<i>Cost</i>	
At 1 March 2017 and 28 February 2018	164,625
<i>Amortisation</i>	
At 1 March 2017 and 28 February 2018	164,625
<i>Net book value</i>	
At 28 February 2018	-
At 28 February 2017	-

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

13 Tangible assets

Group	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>						
At 1 March 2017	1,370,706	693,242	5,372,681	936,015	112,995	8,485,639
Additions	8,080	-	354,488	1,488	3,484	367,540
Disposals	(2)	-	(33,346)	-	-	(33,348)
At 28 February 2018	1,378,784	693,242	5,693,823	937,503	116,479	8,819,831
<i>Depreciation</i>						
At 1 March 2017	328,672	465,031	4,619,766	782,469	101,209	6,297,147
Charge owned for the year	24,719	40,703	224,320	40,679	8,215	338,636
Disposals	(2)	-	(33,346)	-	-	(33,348)
At 28 February 2018	353,389	505,734	4,810,740	823,148	109,424	6,602,435
<i>Net book value</i>						
At 28 February 2018	1,025,395	187,508	883,083	114,355	7,055	2,217,396
At 28 February 2017	1,042,034	228,211	752,915	153,546	11,786	2,188,492

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

14 Fixed asset investments

Subsidiary undertakings

The undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation	Class of shares	Holding	Nature of business
Solair Limited	England	Ordinary	100%	Manufacture of windows, doors and conservatories
Coburn Sliding Systems Limited	England	Ordinary	100%	Distributors of sliding doors and acoustic products
Consort Limited	England	Ordinary	100%	Manufacture of PVCU windows and conservatories
Nico Manufacturing Limited	England	Ordinary	100%	Manufacture of hinges, brackets and other associated products
Laesyons Limited	England	Ordinary	100%	Dormant
Solair Building Products Limited	England	Ordinary	100%	Dormant

Company

	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 March 2017 and 28 February 2018	3,852,140

15 Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Raw materials and consumables	1,639,937	1,533,663	-	-
Work in progress	893,013	475,875	-	-
Finished goods and goods for resale	1,274,710	1,456,853	-	-
	3,807,660	3,466,391	-	-

An impairment loss of £47,939 (2017 - £14,179) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There was no difference between the replacement cost of stocks and the amounts stated above.

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

16 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due after more than one year				
Trade debtors	307,365	213,240	-	-
Deferred tax asset (note 23)	326,960	357,420	381,820	398,480
Due within one year				
Trade debtors	4,981,379	5,092,319	-	-
Amounts owed by group undertakings	-	-	3,113,152	2,334,387
Other debtors	350,409	205,737	8,926	17,758
Prepayments and accrued income	242,015	220,614	3,518	2,686
	<u>6,208,128</u>	<u>6,089,330</u>	<u>3,507,416</u>	<u>2,753,311</u>

The impairment loss recognised in the group Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £347,080 (2017 - £19,088). There were no impairment losses recognised by the company in the current or prior year.

17 Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,114,757	1,541,777	-	578,003
Less: bank overdrafts (note 18)	-	-	14,023	-
	<u>1,114,757</u>	<u>1,541,777</u>	<u>14,023</u>	<u>578,003</u>

18 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	-	-	14,023	-
Other loans	19,953	90,558	-	-
Trade creditors	3,581,329	3,420,745	-	-
Amounts owed to group undertakings	-	-	2,442,504	2,359,347
Corporation tax	126,261	207,852	-	-
Taxation and social security	480,870	474,752	21,055	18,773
Obligations and finance lease and hire purchase contracts	3,467	78,033	-	-
Other creditors	229,754	216,691	960	8,608
Accruals and deferred income	419,569	484,773	15,000	15,000
	<u>4,861,203</u>	<u>4,973,404</u>	<u>2,493,542</u>	<u>2,401,728</u>

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (continued)

18 Creditors: amounts falling due within one year (continued)

The amount included within other loans and pertaining to Solair Limited, Coburn Sliding Systems Limited, Consort Limited and Nico Manufacturing Limited, which is provided by the group's bankers, is secured against the trading debts of the group as disclosed in note 16 to these financial statements.

Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.

19 Creditors: amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	-	3,467	-	-

20 Provisions for liabilities

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Pension liabilities (note 28)	2,246,000	2,365,000	2,246,000	2,365,000
Dilapidation provision	100,000	100,000	-	-
	<u>2,346,000</u>	<u>2,465,000</u>	<u>2,246,000</u>	<u>2,365,000</u>

21 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	3,467	78,033
Between 1-2 years	-	3,467
Between 2-5 years	-	-
	<u>3,467</u>	<u>81,500</u>

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

22 Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets that are debt instruments	<u>6,753,910</u>	<u>5,586,471</u>	<u>3,122,070</u>	<u>1,694,050</u>
Financial liabilities measured at amortised cost	<u>(4,245,072)</u>	<u>(4,394,261)</u>	<u>(2,472,487)</u>	<u>(1,866,608)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other loans, trade creditors and other creditors, amounts owed to group undertakings, finance lease obligations and accruals.

23 Deferred taxation

	£
Group	
At 1 March 2017	357,420
Charged to profit and loss account	(13,800)
Charged to other comprehensive income	(16,660)
	<u> </u>
At 28 February 2018	<u>326,960</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(54,860)	41,060
Other timing differences	-	-
Pension surplus	381,820	398,480
	<u> </u>	<u> </u>
	<u>326,960</u>	<u>320,098</u>

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

24 Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,597,500 ordinary shares of 10p each	259,750	259,750

25 Reserves

Share capital

Called up share capital reserve represents the nominal value of shares issued.

Share premium

Share premium reserve represents the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

26 Contingent liabilities

At 28 February 2018 there was a composite guarantee and debenture between group undertakings and the Royal Bank of Scotland plc. The total indebtedness of the group at 28 February 2018 amounted to £1,430,821 (2017 - £977,072).

27 Capital commitments

At 28 February 2018 the group and company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	15,300	24,000

JBS Industries Limited

Notes forming part of the financial statements for the year ended 28 February 2018 (continued)

28 Pension commitments

The Group operates a Defined Benefit Pension Scheme.

The group operates both a defined contribution and a defined benefit pension scheme. The major scheme is a defined benefit scheme established under an irrevocable Deed of Trust by JBS Industries Limited for its employees and those of subsidiary undertakings. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

Pension benefits generally depend upon age, length of service and salary level. The group also provides retirees with at least five years of service and who are at least age 55 with other post retirement benefits which include life insurance.

A full actuarial valuation of the defined benefit scheme was carried out at 31 March 2013 and updated at 28 February 2018 by a qualified independent actuary in accordance with FRS 102.

There were no other changes in the scheme during the year.

Deferred tax is provided at 17% (2017 – 17%) which reflects the corporation tax rates substantively enacted at the balance sheet dates for deferred tax.

Reconciliation of present value of plan liabilities:

	2018 £	2017 £
At the beginning of the year	8,519,000	6,920,000
Current service cost	63,000	56,000
Interest cost	210,000	252,000
Actuarial (gains)/losses	(235,000)	1,553,000
Contributions	18,000	21,000
Benefits paid	(330,000)	(283,000)
	<hr/>	<hr/>
At the end of the year	8,245,000	8,519,000
	<hr/>	<hr/>

Composition of plan liabilities:

	2018 £	2017 £
Schemes wholly or partly funded	8,245,000	8,519,000
	<hr/>	<hr/>

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

28 Pension commitments (continued)

Reconciliation of present value of plan assets:

	2018 £	2017 £
At the beginning of the year	6,154,000	5,515,000
Expected return on plan assets less expenses	61,000	106,000
Actuarial gains/(losses)	(136,000)	566,000
Contributions	250,000	250,000
Benefits paid	(330,000)	(283,000)
At the end of the year	5,999,000	6,154,000

Composition of plan assets:

	2018 £	2017 £
European equities	2,340,000	2,488,000
European bonds	2,640,000	3,063,000
Cash	1,019,000	603,000
Total plan assets	5,999,000	6,154,000

	2018 £	2017 £
Fair value of plan assets	5,999,000	6,154,000
Present value of plan liabilities	(8,245,000)	(8,519,000)
Net pension scheme liability	(2,246,000)	(2,365,000)

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Included in administrative expenses		
Current service cost	63,000	56,000
Amounts included in other finance cost of		
Interest cost	(210,000)	(252,000)
Expected return on scheme assets	61,000	106,000
Total	(149,000)	(146,000)

The cumulative amount of actuarial losses recognised in the Consolidated Statement of Comprehensive Income was £99,000 (2017 – gain of £1,935,000).

The Group expects to contribute £117,000 plus expenses to its Defined Benefit Scheme in 2019.

JBS Industries Limited

Notes forming part of the financial statements
for the year ended 28 February 2018 (continued)

28 Pension commitments (continued)

	2018 £	2017 £
Analysis of actuarial gains/(losses) recognised in other comprehensive income		
Actual return less interest income included in net interest income	(136,000)	566,000
Experience gains and losses arising on the scheme liabilities	(32,000)	17,000
Changes in assumptions underlying the present value of the scheme liabilities	267,000	(1,570,000)
	<hr/>	<hr/>
Actuarial gains/(losses)	99,000	(987,000)
	<hr/>	<hr/>

Principal actual assumptions at the statement of financial position date (expressed as weighted averages):

	2018 %	2017 %
Discount rate	2.65	2.50
Expected rates of return on plan assets	5.70	5.70
Future pension increases	2.45	2.50
Inflation assumption	3.20	3.20
Mortality rates		
- for a male aged 65 now	87.7	86.4
- at 65 for a male member aged 45 now	86.2	87.8
- for a female aged 65 now	89.8	88.2
- at 65 for a female member aged 45 now	88.2	89.8
	<hr/>	<hr/>

29 Commitments under operating leases

As at 28 February 2018, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Not later than 1 year	619,203	289,281
Later than 1 year and not later than 5 years	801,983	1,220,491
Later than 5 years	444,931	590,792
	<hr/>	<hr/>
	1,866,117	2,100,564
	<hr/>	<hr/>

JBS Industries Limited

**Notes forming part of the financial statements
for the year ended 28 February 2018 (*continued*)**

30 Related party transactions

The company has taken advantage of the exemption conferred by section 33A of FRS 102 not to disclose transactions with its wholly owned subsidiaries

Key management personnel are considered to be the statutory directors of the group. The total compensation paid to the directors was £866,508 (2017 - £760,913)

31 Controlling party

The ultimate controlling party is J S Houlihan.