

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 March 2022
for
Illingworth Ingham (Holdings) Limited**

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for the Year Ended 31 March 2022**

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Illingworth Ingham (Holdings) Limited

**Company Information
for the Year Ended 31 March 2022**

DIRECTOR:	S J Graveley
REGISTERED OFFICE:	Trafford Park Saw Mills Village Way Manchester Lancashire M17 1AD
REGISTERED NUMBER:	11448344 (England and Wales)
AUDITORS:	Thompson Wright Limited Chartered Accountants and Statutory Auditors Ebenezer House Ryecroft Newcastle under Lyme Staffordshire ST5 2BE

**Group Strategic Report
for the Year Ended 31 March 2022**

The director presents his strategic report of the company and the group for the year ended 31 March 2022.

REVIEW OF BUSINESS

Following on from the covid pandemic, the group has enjoyed a very successful year with growth in both sales and margin, helped by a continuing high demand for our products as well as the introduction of another branch to our group.

The group continues to invest in its main site at Trafford Park as well as its branch network.

On 1st April 2020, the shareholders of Illingworth Ingham (Manchester) Limited entered into an agreement to exchange their shares for the share capital in Illingworth Ingham (Holdings) Limited, thereby creating a new holding company and revised group structure. This is part of a long term strategy to allow the directors to create a structure whereby they feel that they can move the group forward in a more secure and profitable way.

The directors recommend that equity dividends be paid as detailed in note 8.

As in previous years, the directors monitor the performance of the group through monthly management accounts and sales reports for each division together with the monitoring of bank balances and ability to meet its further liabilities.

The directors consider the following to be key performance indicators;

	2022	2021
Gross profit margin	27.39%	25.44%
Debtor days	49	60
Creditor days	64	74
Stock turnover days	92	96

**Group Strategic Report
for the Year Ended 31 March 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have identified the key risks faced by the group to be market risk, financial risk, credit risk and exchange rate risk.

The directors are constantly monitoring both the quality and price of the products it acquires and the range of goods it supplies, to minimise the market risk.

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The group's policy throughout the year has been to maintain liquid funds at the bank and avoid incurring overdraft interest whilst also funding the repayment of finance lease obligations.

To achieve short term flexibility, the group operates an invoice discounting facility and hire purchase facilities, which means that it is exposed to interest rate risk.

Where the group has had to undertake short term borrowings, the group's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. It is the group's policy to minimise the amount of borrowings at floating rates of interest.

The maturity of borrowings is set out in note 16 to the financial statements.

The principal credit risk arises from the groups trade debtors.

In order to manage credit risk, the directors set limits for its customers based on a combination of payment history and third party credit references. Where available, credit insurance is also taken out. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

During 2021/22, credit risk exposure was spread over a large number of customers.

The group imports goods from both Europe and North America with payment terms varying from between 45 and 60 days from bill of lading. The group is therefore exposed to exchange rate risk. To minimise this risk, the group enters into forward currency contracts, maturing at the relevant due date.

FUTURE DEVELOPMENTS

Looking to the future, the directors want to maintain appropriate investment levels in the company to ensure continued growth as well as maintaining and securing the company's position in the market. The directors closely monitor the market place to ensure that the company can deliver the best products at the best prices.

ON BEHALF OF THE BOARD:

S J Graveley - Director

25 November 2022

**Report of the Director
for the Year Ended 31 March 2022**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of timber importing, merchanting and retailing.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2022 will be £ 511,226 .

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

S J Graveley held office during the whole of the period from 1 April 2021 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

Future developments and principal risks and uncertainties are disclosed in the strategic report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Illingworth Ingham (Holdings) Limited (Registered number: 11448344)

**Report of the Director
for the Year Ended 31 March 2022**

AUDITORS

The auditors, Thompson Wright Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S J Graveley - Director

25 November 2022

**Report of the Independent Auditors to the Members of
Illingworth Ingham (Holdings) Limited**

Opinion

We have audited the financial statements of Illingworth Ingham (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of timber suppliers.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment and health and safety legislation and FSC and PEFC compliance;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**Report of the Independent Auditors to the Members of
Illingworth Ingham (Holdings) Limited**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Jeremy Bostock BA BFP FCA (Senior Statutory Auditor)
for and on behalf of Thompson Wright Limited
Chartered Accountants
and Statutory Auditors
Ebenezer House
Ryecroft
Newcastle under Lyme
Staffordshire
ST5 2BE

25 November 2022

**Consolidated Profit and Loss Account
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	£	31.3.21 £	£
TURNOVER			29,315,433		20,632,661
Cost of sales			<u>21,285,981</u>		<u>15,383,050</u>
GROSS PROFIT			8,029,452		5,249,611
Distribution costs		355,893		205,636	
Administrative expenses		<u>3,866,142</u>		<u>3,205,149</u>	
			4,222,035		3,410,785
			<u>3,807,417</u>		<u>1,838,826</u>
Other operating income	3		<u>15,168</u>		<u>353,052</u>
OPERATING PROFIT	5		3,822,585		2,191,878
Interest payable and similar expenses	6		<u>13,598</u>		<u>12,430</u>
PROFIT BEFORE TAXATION			3,808,987		2,179,448
Tax on profit	7		<u>691,996</u>		<u>197,123</u>
PROFIT FOR THE FINANCIAL YEAR			<u>3,116,991</u>		<u>1,982,325</u>
Profit attributable to:					
Owners of the parent			<u>3,116,991</u>		<u>1,982,325</u>

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
PROFIT FOR THE YEAR		3,116,991	1,982,325
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,116,991</u>	<u>1,982,325</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,116,991</u>	<u>1,982,325</u>

Consolidated Balance Sheet
31 March 2022

	Notes	31.3.22 £	£	31.3.21 £	£
FIXED ASSETS					
Intangible assets	10		529,997		-
Tangible assets	11		3,010,002		2,825,444
Investments	12		-		-
			<u>3,539,999</u>		<u>2,825,444</u>
CURRENT ASSETS					
Stocks	13	5,383,064		4,039,638	
Debtors	14	4,207,860		3,619,613	
Cash at bank and in hand		<u>4,806,105</u>		<u>3,541,574</u>	
		14,397,029		11,200,825	
CREDITORS					
Amounts falling due within one year	15	<u>5,581,537</u>		<u>4,570,814</u>	
NET CURRENT ASSETS			<u>8,815,492</u>		<u>6,630,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,355,491</u>		<u>9,455,455</u>
CREDITORS					
Amounts falling due after more than one year	16		(455,018)		(223,075)
PROVISIONS FOR LIABILITIES	19		(230,694)		(166,119)
ACCRUALS AND DEFERRED INCOME	20		<u>(44,196)</u>		<u>(46,443)</u>
NET ASSETS			<u>11,625,583</u>		<u>9,019,818</u>
CAPITAL AND RESERVES					
Called up share capital	21		26,416		26,416
Capital redemption reserve	22		6,321		6,321
Retained earnings	22		<u>11,592,846</u>		<u>8,987,081</u>
SHAREHOLDERS' FUNDS			<u>11,625,583</u>		<u>9,019,818</u>

The financial statements were approved by the director and authorised for issue on 25 November 2022 and were signed by:

S J Graveley - Director

Company Balance Sheet
31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	<u>26,416</u>	<u>26,416</u>
		<u>26,416</u>	<u>26,416</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,416</u>	<u>26,416</u>
CAPITAL AND RESERVES			
Called up share capital	21	<u>26,416</u>	<u>26,416</u>
SHAREHOLDERS' FUNDS		<u>26,416</u>	<u>26,416</u>
Company's profit for the financial year		<u>511,226</u>	<u>376,226</u>

The financial statements were approved by the director and authorised for issue on 25 November 2022 and were signed by:

S J Graveley - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2020	26,416	7,380,982	6,321	7,413,719
Changes in equity				
Dividends	-	(376,226)	-	(376,226)
Total comprehensive income	-	1,982,325	-	1,982,325
Balance at 31 March 2021	<u>26,416</u>	<u>8,987,081</u>	<u>6,321</u>	<u>9,019,818</u>
Changes in equity				
Dividends	-	(511,226)	-	(511,226)
Total comprehensive income	-	3,116,991	-	3,116,991
Balance at 31 March 2022	<u>26,416</u>	<u>11,592,846</u>	<u>6,321</u>	<u>11,625,583</u>

**Company Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	2	-	2
Changes in equity			
Issue of share capital	26,414	-	26,414
Dividends	-	(376,226)	(376,226)
Total comprehensive income	-	376,226	376,226
Balance at 31 March 2021	<u>26,416</u>	<u>-</u>	<u>26,416</u>
Changes in equity			
Dividends	-	(511,226)	(511,226)
Total comprehensive income	-	511,226	511,226
Balance at 31 March 2022	<u>26,416</u>	<u>-</u>	<u>26,416</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	3,101,387	2,765,977
Interest element of hire purchase payments paid		(13,598)	(12,430)
Finance costs paid		(107,795)	(69,120)
Government grants received		2,247	340,268
Tax paid		(628,509)	(167,228)
Net cash from operating activities		<u>2,353,732</u>	<u>2,857,467</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(529,997)	-
Purchase of tangible fixed assets		(670,590)	(185,088)
Sale of tangible fixed assets		23,950	41,850
Net cash from investing activities		<u>(1,176,637)</u>	<u>(143,238)</u>
Cash flows from financing activities			
Capital repayments in year		356,536	15,715
Amount introduced by directors		394,850	119,776
Amount withdrawn by directors		(152,724)	6,480
Share buyback		-	(19,776)
Equity dividends paid		(511,226)	(376,226)
Net cash from financing activities		<u>87,436</u>	<u>(254,031)</u>
Increase in cash and cash equivalents		<u>1,264,531</u>	<u>2,460,198</u>
Cash and cash equivalents at beginning of year	2	3,541,574	1,081,376
Cash and cash equivalents at end of year	2	<u>4,806,105</u>	<u>3,541,574</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.22	31.3.21
	£	£
Profit before taxation	3,808,987	2,179,448
Depreciation charges	485,031	385,521
Profit on disposal of fixed assets	(22,948)	(41,850)
Factoring charges	107,795	69,120
Government grants	(2,247)	(340,268)
Finance costs	13,598	12,430
	<u>4,390,216</u>	<u>2,264,401</u>
Increase in stocks	(1,343,426)	(105,725)
Increase in trade and other debtors	(588,247)	(480,357)
Increase in trade and other creditors	642,844	1,087,658
Cash generated from operations	<u>3,101,387</u>	<u>2,765,977</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>4,806,105</u>	<u>3,541,574</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>3,541,574</u>	<u>1,081,376</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>3,541,574</u>	<u>1,264,531</u>	<u>4,806,105</u>
	<u>3,541,574</u>	<u>1,264,531</u>	<u>4,806,105</u>
Debt			
Finance leases	<u>(407,774)</u>	<u>(356,537)</u>	<u>(764,311)</u>
	<u>(407,774)</u>	<u>(356,537)</u>	<u>(764,311)</u>
Total	<u>3,133,800</u>	<u>907,994</u>	<u>4,041,794</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Illingworth Ingham (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being the 12 month period from the date of these accounts being approved, given the impact of the Coronavirus upon the economy and therefore the financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Basis of consolidation

The group financial statements consolidate the financial statements of the limited company and its subsidiary and its associate undertakings.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Subsidiaries are included in the consolidated financial statements on the acquisition basis whilst associates are included using the equity method.

Group reconstructions are included in the consolidated financial statements using the merger basis.

On 1st April 2020, the shareholders of Illingworth Ingham (Manchester) Limited undertook an exchange of shares for shares in Illingworth Ingham (Holdings) Limited. This combination has been accounted for on the merger basis. The group financial statements therefore show the combined results of both companies.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Revenue is recognised as the company becomes entitled to consideration for the goods and services supplied.

Turnover is attributable to the principle activity of the company which is carried out entirely within the United Kingdom.

Goodwill

Purchased goodwill arising on acquisition is the difference between the fair value of the purchase consideration and the fair value of the company's share of the identifiable assets and liabilities of the acquired business at the date of acquisition. Positive goodwill is capitalised and classified as an asset on the balance sheet and amortised over its estimated useful life of 5 to 10 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5 years and 10 years

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Alterations to leasehold property	- Equally over the term of the lease
Long leasehold	- 10 - 20% straight line
Plant, equipment, fixtures and fittings	- 10%, 25% and 33% per annum straight line
Motor vehicles	- 25% - 30% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Financial instruments

The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and stocking loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Investments in subsidiaries

Investment in subsidiary undertakings are recognised at cost.

3. OTHER OPERATING INCOME

	31.3.22	31.3.21
	£	£
Rents received	12,921	12,784
Government grants	2,247	340,268
	<u>15,168</u>	<u>353,052</u>

4. EMPLOYEES AND DIRECTORS

	31.3.22	31.3.21
	£	£
Wages and salaries	3,577,078	3,385,841
Social security costs	340,902	289,822
Other pension costs	156,498	142,927
	<u>4,074,478</u>	<u>3,818,590</u>

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

	31.3.22	31.3.21
Production	97	90
Selling	10	10
Administration	7	7
	<u>114</u>	<u>107</u>

	31.3.22	31.3.21
	£	£
Director's remuneration	167,511	154,501
Director's pension contributions to money purchase schemes	68,276	36,323

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

5. OPERATING PROFIT

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

	31.3.22	31.3.21
	£	£
Hire of plant and machinery	5,417	7,017
Other operating leases	369,303	319,711
Depreciation - owned assets	273,537	224,752
Depreciation - assets on hire purchase contracts	211,493	160,769
Profit on disposal of fixed assets	(22,948)	(41,850)
Auditors' remuneration	17,000	17,000
Auditors' remuneration for non audit work	4,600	2,640
Motor vehicle leases	<u>82,234</u>	<u>52,146</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.22	31.3.21
	£	£
Hire purchase	<u>13,598</u>	<u>12,430</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	627,421	428,508
Deferred tax:		
Accelerated capital allowances	<u>64,575</u>	<u>(231,385)</u>
Tax on profit	<u>691,996</u>	<u>197,123</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.22	31.3.21
	£	£
Profit before tax	<u>3,808,987</u>	<u>2,179,448</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	723,708	414,095
Effects of:		
Expenses not deductible for tax purposes	3,483	12,802
Income not taxable for tax purposes	(426)	(427)
Capital allowances in excess of depreciation	<u>(34,769)</u>	<u>(229,347)</u>
Total tax charge	<u>691,996</u>	<u>197,123</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

8. **INDIVIDUAL PROFIT AND LOSS ACCOUNT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. **DIVIDENDS**

	31.3.22	31.3.21
	£	£
A Ordinary shares of 50p each Interim	<u>511,226</u>	<u>376,226</u>

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 April 2021	441,867
Additions	<u>529,997</u>
At 31 March 2022	<u>971,864</u>
AMORTISATION	
At 1 April 2021 and 31 March 2022	<u>441,867</u>
NET BOOK VALUE	
At 31 March 2022	<u>529,997</u>
At 31 March 2021	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Alterations to leasehold property £	Long leasehold £
COST			
At 1 April 2021	2,413,598	19,425	434,820
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	<u>2,413,598</u>	<u>19,425</u>	<u>434,820</u>
DEPRECIATION			
At 1 April 2021	1,147,328	19,425	129,381
Charge for year	49,027	-	16,159
Eliminated on disposal	-	-	-
At 31 March 2022	<u>1,196,355</u>	<u>19,425</u>	<u>145,540</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,217,243</u>	-	<u>289,280</u>
At 31 March 2021	<u>1,266,270</u>	-	<u>305,439</u>

	Plant, equipment, fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2021	5,467,755	693,873	9,029,471
Additions	416,275	254,315	670,590
Disposals	(189,675)	(78,717)	(268,392)
At 31 March 2022	<u>5,694,355</u>	<u>869,471</u>	<u>9,431,669</u>
DEPRECIATION			
At 1 April 2021	4,389,404	518,489	6,204,027
Charge for year	260,535	159,309	485,030
Eliminated on disposal	(188,673)	(78,717)	(267,390)
At 31 March 2022	<u>4,461,266</u>	<u>599,081</u>	<u>6,421,667</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,233,089</u>	<u>270,390</u>	<u>3,010,002</u>
At 31 March 2021	<u>1,078,351</u>	<u>175,384</u>	<u>2,825,444</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

11. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant, equipment, fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2021	380,300	297,332	677,632
Additions	343,519	236,939	580,458
At 31 March 2022	<u>723,819</u>	<u>534,271</u>	<u>1,258,090</u>
DEPRECIATION			
At 1 April 2021	114,057	127,508	241,565
Charge for year	63,054	148,439	211,493
At 31 March 2022	<u>177,111</u>	<u>275,947</u>	<u>453,058</u>
NET BOOK VALUE			
At 31 March 2022	<u>546,708</u>	<u>258,324</u>	<u>805,032</u>
At 31 March 2021	<u>266,243</u>	<u>169,824</u>	<u>436,067</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>26,416</u>
NET BOOK VALUE	
At 31 March 2022	<u>26,416</u>
At 31 March 2021	<u>26,416</u>

The list of subsidiaries is as follows;

Name	Registered office	Principal activity	Holding
Illingworth Ingham (Manchester) Limited	Trafford Park Sawmills, Village Way, Manchester, Lancashire, M17 1AD	Timber importing, merchandising and retailing	100%

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

13. STOCKS

	Group	
	31.3.22	31.3.21
	£	£
Stocks	<u>5,383,064</u>	<u>4,039,638</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31.3.22	31.3.21
	£	£
Trade debtors	3,907,872	3,377,196
Other debtors	861	-
Prepayments and accrued income	299,127	242,417
	<u>4,207,860</u>	<u>3,619,613</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31.3.22	31.3.21
	£	£
Hire purchase contracts (see note 17)	309,293	184,699
Trade creditors	3,532,172	2,677,703
Tax	427,420	428,508
Social security and other taxes	501,709	745,941
Other creditors	291	220
Directors' current accounts	450,508	208,382
Accrued expenses	360,144	325,361
	<u>5,581,537</u>	<u>4,570,814</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.3.22	31.3.21
	£	£
Hire purchase contracts (see note 17)	<u>455,018</u>	<u>223,075</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	31.3.22	31.3.21
	£	£
Net obligations repayable:		
Within one year	309,293	184,699
Between one and five years	<u>455,018</u>	<u>223,075</u>
	<u>764,311</u>	<u>407,774</u>

Group	Non-cancellable operating leases	
	31.3.22	31.3.21
	£	£
Within one year	6,023	30,597
Between one and five years	291,436	246,154
In more than five years	<u>380,000</u>	<u>546,500</u>
	<u>677,459</u>	<u>823,251</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.3.22	31.3.21
	£	£
Hire purchase contracts	<u>764,311</u>	<u>407,774</u>

The invoice discounting facility is secured by a fixed charge over the book debts upon which the facility is based.

Amounts due under finance leases are bank loans are secured on the assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	Group	
	31.3.22	31.3.21
	£	£
Deferred tax		
Accelerated capital allowances	<u>230,694</u>	<u>166,119</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

19. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 April 2021	166,119
Provided during year	64,575
Balance at 31 March 2022	<u>230,694</u>

20. ACCRUALS AND DEFERRED INCOME

	Group	
	31.3.22 £	31.3.21 £
Deferred government grants	<u>44,196</u>	<u>46,443</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.22 £	31.3.21 £
37,756	A Ordinary	50p	18,878	18,878
15,075	B Ordinary	50p	7,538	7,538
			<u>26,416</u>	<u>26,416</u>

22. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2021	8,987,081	6,321	8,993,402
Profit for the year	3,116,991		3,116,991
Dividends	(511,226)		(511,226)
At 31 March 2022	<u>11,592,846</u>	<u>6,321</u>	<u>11,599,167</u>

Company

	Retained earnings £
Profit for the year	511,226
Dividends	(511,226)
At 31 March 2022	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

23. CAPITAL COMMITMENTS

	31.3.22	31.3.21
	£	£
Contracted but not provided for in the financial statements	<u>213,801</u>	<u>284,689</u>

24. RELATED PARTY DISCLOSURES

S J Graveley

Director and shareholder

During the period, Mr Graveley received dividends of £511,226 (2021: £376,226)

	31.3.22	31.3.21
	£	£
Amount due from/(to) related party at the balance sheet date	<u>450,508</u>	<u>(208,382)</u>

Illingworth Ingham (Manchester) Ltd Directors Retirement Pension Scheme

During the period, the company paid rent of £316,675 (2021: £315,655) for premises owned by the pension scheme.

25. POST BALANCE SHEET EVENTS

On 24th February 2022, the company entered into a mortgage agreement for £525,000, however, this was not utilised until post year end.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S J Graveley.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.