

Registered number: SC369529

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020



INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

COMPANY INFORMATION

Directors	J K Beeston J J Delaney (resigned 20 March 2019) R J Molloy A D Somers G D Roberts (appointed 18 July 2019, resigned 28 February 2020)
Registered number	SC369529
Registered office	4 Kilmartin Place Tannochside Park Uddingston Glasgow G71 5PH
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	HSBC Bank PLC 2 Buchanan Street Glasgow G1 3LB

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

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INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

Introduction

The directors present their strategic report for the year ended 29 February 2020.

The principal activities of the company were that of mechanical and electrical contractors and facility services providers.

Business review and key performance indicators

Turnover was up on the prior year as a result of focusing on key clients and the development of the facility services offering of the Parker brand name. Margins continue to be tight, reflective of market conditions but the new strategy and revenues increased the operating margin of the business to a profit of 3.3%.

The company continues to develop its strategy and focus on key client relationships. The company is confident that the adaptation of their strategy will improve its financial performance going forward.

The business continues to invest in its infrastructure including health & safety, apprenticeships, human resources and finance to demonstrate its commitment to improving the service offering to its customer base.

The directors use the following key performance indicators in the business:

	2020 £000's	2019 £000's
Turnover	29,187	24,292
Gross profit	13.3%	13.0%
Operating profit/(loss)	3.3%	(0.3%)

Principal risks and uncertainties

In relation to risks, the key risks are:

Health & Safety. The contracting environment is a high-risk environment where failure to follow processes and procedures can put people's lives at risk. The company has an established health & safety structure with systems, processes and reviews, to keep them relevant on a regular basis.

Commercial Management. In an industry which is very price competitive, poor pricing and poor commercial management can have a significant negative impact on the financial trading of the business. The business reviews its commercial processes and controls on a regular basis to ensure that they remain robust.

Cash Management. Cash is important to all businesses but particularly critical in the contracting environment. The business has established policies of cash management and during the period bad debt write offs were minimal.

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



R J Molloy
Director

Date: 19th October 2020

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their report and the financial statements for the year ended 29 February 2020.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £824,974 (2019: loss £149,848).

There were no dividends paid in the year (2019: £Nil).

Directors

The directors who served during the year are included on the company information page.

Post balance sheet events

At the date of signing these accounts, Coronavirus represents both a risk to the business and its people. The company is taking active measures to ensure its people remain safe and healthy. Measures include supplementary education on cleanliness, self-isolation, social distancing and the ability to work from home or in roster patterns where necessary. There are regular business continuity and health and safety meetings to ensure compliance with the measures introduced.

The directors have considered the effect of Covid-19 on the company, and do not believe it will affect the company's ability to continue to trade for the foreseeable future. As with most businesses there are some short-term practical difficulties which are being managed. The severity and length of the economic downturn is unknown due to the uncertainty of the social distancing measures enforced by the UK government.

The UK government has announced unprecedented levels of financial support for the economy, in the form of grants to retain employees that are furloughed during this time, as well as extensions of time to pay certain taxes due. As a result of these measures, the company has furloughed some employees due to the current impact on trade and is accessing furlough grants to retain such employees.

See note 1.3 for further details.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020**

Qualifying third party indemnity provisions

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Strategic report

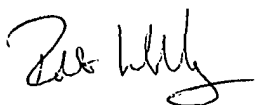
The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (strategic report and directors' report) Regulations 2013 to set out in the company's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

Disclosure of information to auditor

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

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

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



R J Molloy
Director

Date: 19th October 2020

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

Opinion

We have audited the financial statements of Ingen Technical Services (Central) Limited (the 'company') for the year ended 29 February 2020, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGEN TECHNICAL SERVICES (CENTRAL) LIMITED (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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGEN TECHNICAL SERVICES (CENTRAL)
LIMITED (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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Cooper Parry Group Limited

Alison Fovargue (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: *2 November 2020*

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	Note	2020 £	2019 £
Turnover	1,3	29,186,796	24,291,778
Cost of sales		(25,322,854)	(21,136,151)
Gross profit		3,863,942	3,155,627
Administrative expenses		(2,776,934)	(3,013,720)
Exceptional administrative expenses	11	(210,573)	(210,543)
Other operating income		100,956	-
Total administrative expenses	5	(2,886,551)	(3,224,263)
Operating profit/(loss)	5	977,391	(68,636)
Interest receivable		13	-
Interest payable	9	(134,048)	(63,923)
Profit/(loss) before tax		843,356	(132,559)
Tax on profit/(loss)	10	(18,382)	(17,289)
Profit/(loss) after tax		824,974	(149,848)
Retained earnings at the beginning of the year		2,572,585	2,722,433
Profit/(loss) for the year		824,974	(149,848)
Retained earnings at the end of the year		3,397,559	2,572,585

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 9 to 22 form part of these financial statements.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED
REGISTERED NUMBER: SC369529

BALANCE SHEET
AS AT 29 FEBRUARY 2020

	Note	29 February 2020 £	28 February 2019 £
Fixed assets			
Tangible fixed assets	13	211,763	176,236
Intangible fixed assets	12	234,004	302,808
		<u>445,767</u>	<u>479,044</u>
Current assets			
Stocks	14	56,300	96,000
Debtors: amounts falling due within one year	15	10,111,458	10,700,016
Cash at bank and in hand		628,470	-
		<u>10,796,228</u>	<u>10,796,016</u>
Creditors: amounts falling due within one year	16	<u>(7,828,390)</u>	<u>(8,699,753)</u>
Net current assets		2,967,838	2,096,263
Provisions for liabilities			
Deferred tax	17	(15,946)	(2,622)
Net assets		<u>3,397,659</u>	<u>2,572,685</u>
Capital and reserves			
Called up share capital	18	90	90
Capital redemption reserve	19	10	10
Profit and loss account	19	3,397,559	2,572,585
Shareholders' funds		<u>3,397,659</u>	<u>2,572,685</u>

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



J K Beeston
Director

Date: 19th October 2020

The notes on pages 9 to 22 form part of these financial statements.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

Ingen Technical Services (Central) Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 29 February 2020 (2019: year ended 28 February 2019).

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in 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 in note 2.

1.2 Disclosure exemptions

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to presentation of a cash flow statement and the disclosure of aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the group accounts of Edwin James Group Limited (previously Edwin James Holdings Limited). The group accounts of Edwin James Group Limited (previously Edwin James Holdings Limited) are available to the public and can be obtained as set out in note 25.

The following accounting policies have been applied consistently throughout the year:

1.3 Going concern

At the balance sheet date, the company had a significant cash balance of £628k (28 February 2019: £118k credit) and a strong net current asset position of £2,968k.

At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position and consider that the company will continue to trade for a period of at least 12 months from the date of signing these accounts with the current level of funding available to it. The severity and length of the economic downturn is unknown due to the uncertainty of the social distancing measures enforced by the UK government. As a result of these measures, the company has furloughed some employees due to the impact on trade. The performance of the company is reviewed monthly, at the time of signing these accounts the company continues to deliver positive results and is forecast to remain so for the next 12 months. The ultimate parent company, Edwin James Group Limited, has maintained constant dialogue with the group's bankers throughout the Covid period, the bank have remained fully supportive of the group and approach of management.

On that basis, the directors have prepared these financial statements on a going concern basis

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Accounting policies (continued)

1.4 Turnover and profit recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year and the value of long term contract work performed, exclusive of value added tax and trade discounts.

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the value of work done. An estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is shown in debtors as amounts recoverable on contracts. The costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long term contract balances. The amount by which payments on account exceed turnover are shown within creditors.

Provision is made for losses incurred or foreseen in bringing the contract to completion as soon as they become apparent.

1.5 Intangible assets

Computer software development is initially recognised at either purchase cost or directly attributable labour cost incurred in creating, producing and preparing the asset to be capable of operating in the manner intended by management. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of developed software is calculated on a 25% straight line basis.

1.6 Tangible fixed assets

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

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% 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 in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is an indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1.7 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock. Provision is made for any foreseeable losses where appropriate.

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

1.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Accounting policies (continued)

1.9 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.11 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.12 Taxation and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.13 Interest payable

Interest comprises of interest payable on hire purchase contracts and charges incurred for the use of procurement cards to pay suppliers, which is included in other interest payable. Procurement card charges are charged to the profit and loss account as they are incurred.

1.14 Exceptional items

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

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

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

The directors make estimates and assumptions concerning the future. They are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of fixed assets

The company assesses the impairment of tangible fixed assets and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Carrying value of stocks

The directors review the market value of and demand for the company's stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. The directors estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economical trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Leases

The directors determine whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

2. Judgements in applying accounting policies (continued)

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. External advice is sought where appropriate.

Recognition of profit on long term contracts

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of the turnover and profit is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

4. Other operating income

	2020 £	2019 £
Other operating income	100,956	-
	<u>100,956</u>	<u>-</u>

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

5. Operating profit/(loss)

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

	2020	2019
	£	£
Depreciation of tangible fixed assets owned by the company	93,183	79,166
Depreciation of tangible fixed assets held under finance lease	-	231
Amortisation of intangible assets	120,047	62,940
Profit on disposal of tangible fixed assets	(3,217)	(10,613)
Land and building leases	100,452	101,952
Other operating lease rentals	27,270	21,161
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor for the audit of the company's annual financial statements	15,400	14,500
	<u> </u>	<u> </u>

7. Employees

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

	2020	2019
	£	£
Wages and salaries	8,871,616	7,687,640
Social security costs	860,670	767,307
Pension costs	214,597	97,889
	<u> </u>	<u> </u>
	9,946,883	8,552,836
	<u> </u>	<u> </u>

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

	2020	2019
	No.	No.
Administration	106	64
Production	129	131
	<u> </u>	<u> </u>
	235	195
	<u> </u>	<u> </u>

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

8. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	177,275	361,032
Company contributions to defined contribution pension schemes	81	2,146
Compensation for loss of office	14,510	-
	<u>191,866</u>	<u>363,178</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £107,678 (2019: £160,954).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £81 (2019: £920).

9. Interest payable and similar charges

	2020	2019
	£	£
Bank interest payable	7,123	545
Other interest payable	126,925	62,545
Hire purchase interest	-	833
	<u>134,048</u>	<u>63,923</u>

10. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the period/year	5,058	-
Adjustments in respect of previous periods	-	(114)
Deferred tax		
Unrelieved tax losses carried forward	13,324	17,403
Taxation on loss on ordinary activities	<u>18,382</u>	<u>17,289</u>

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

10. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	843,356	(132,559)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	160,238	(25,186)
Effects of:		
Fixed asset differences	4,188	4,047
Expenses not deductible for tax purposes	2,893	8,988
Adjustments to tax charge in respect of prior periods	-	(114)
Research and development expenditure credits	(7,269)	-
Group relief	(139,154)	30,022
Deferred tax adjustments	(2,514)	(468)
Total tax charge for the year	18,382	17,289

Factors that may affect future tax charges

As at 31 December 2019 the substantively enacted rate for deferred tax calculation purposes was 17% and deferred taxation has been calculated at this rate.

On the 11 March 2020 the Chancellor of the Exchequer announced that the tax rate reduction from 19% to 17% was no longer going to be implemented.

11. Exceptional items

	2020 £	2019 £
Rebranding	-	33,570
Restructuring	210,573	176,973
	210,573	210,543

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

12. Intangible assets

	Computer software development £
Cost	
At 1 March 2019	494,457
Additions	51,243
At 29 February 2020	<u>545,700</u>
Amortisation	
At 1 March 2019	191,649
Charge for the year	120,047
At 29 February 2020	<u>311,696</u>
Net book value	
At 29 February 2020	<u>234,004</u>
At 28 February 2019	<u>302,808</u>

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 March 2019	18,217	12,791	162,076	220,038	413,122
Additions	-	-	53,743	75,150	128,893
Disposals	-	(12,791)	(15,343)	-	(28,134)
At 29 February 2020	<u>18,217</u>	<u>-</u>	<u>200,476</u>	<u>295,188</u>	<u>513,881</u>
Depreciation					
At 1 March 2019	11,635	11,904	106,118	107,229	236,886
Charge for the year	3,861	704	38,398	50,220	93,183
Disposals	-	(12,608)	(15,343)	-	(27,951)
At 29 February 2020	<u>15,496</u>	<u>-</u>	<u>129,173</u>	<u>157,449</u>	<u>302,118</u>
Net book value					
At 29 February 2020	<u>2,721</u>	<u>-</u>	<u>71,303</u>	<u>137,739</u>	<u>211,763</u>
At 28 February 2019	<u>6,582</u>	<u>887</u>	<u>55,958</u>	<u>112,809</u>	<u>176,236</u>

14. Stocks

	2020 £	2019 £
Raw materials	<u>56,300</u>	<u>96,000</u>

Stock and work in progress recognised in cost of sales during the year as an expense was £25,322,854 (2019: £21,136,151).

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

15. Debtors

	2020	2019
	£	£
Trade debtors	2,373,463	2,524,835
Amounts owed by group undertakings	1,848,123	1,938,519
Other debtors	51,798	2,911
Prepayments and accrued income	196,623	210,953
Amounts recoverable on long term contracts	5,641,451	6,022,798
	<u>10,111,458</u>	<u>10,700,016</u>

An impairment loss of £nil (2019: £46,447) was recognised in administrative expenses against trade debtors during the year.

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank overdrafts	-	118,348
Trade creditors	3,320,125	2,377,533
Amounts owed to group undertakings	21,425	1,004,566
Corporation tax	5,058	-
Other taxation and social security	1,269,693	969,337
Other creditors	474,632	537,119
Accruals and deferred income	2,737,457	3,692,850
	<u>7,828,390</u>	<u>8,699,753</u>

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

17. Deferred taxation

	2020	2019
	£	£
At beginning of the period	2,622	(14,781)
Profit and loss account	13,324	17,403
At end of the period	15,946	2,622

The provision for deferred taxation is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	15,946	2,622

18. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
90 Ordinary shares of £1 each	90	90

19. Reserves

Capital redemption reserve

The capital redemption reserve represents share capital repurchased by the company.

Profit and loss account

The profit and loss account includes all current and prior periods retained profits and losses less dividends paid.

20. Contingent liabilities

A debenture including a floating charge over all assets of the company has been registered in relation to the bank borrowings of the ultimate parent company which total £18,643,750 (2019: £16,426,133).

INGEN TECHNICAL SERVICES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £214,597 (2019: £97,889). Contributions totalling £25,281 (2019: £14,903) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 29 February 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	89,376	96,699
Later than 1 year and not later than 5 years	445,166	446,880
Later than 5 years	-	89,376
	<u>534,542</u>	<u>632,955</u>

23. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of the FRS 102 Section 33.1A exemption from disclosing transactions with group undertakings.

24. Post balance sheet events

Subsequent, to the period end there has been an outbreak of Covid-19 which has developed into a global pandemic. The directors continue to assess the impact on the company and although there is a high level of uncertainty about the extent and timeframe of the virus on the global economy, they believe the company is strongly positioned to handle any downturn that may occur.

25. Controlling party

The immediate parent company is EJ Parker Technical Services Holdings (Scotland) Limited (previously Ingen Technical Services Limited). The ultimate parent undertaking is Edwin James Group Limited (previously Edwin James Holdings Limited).

EJ Parker Technical Services Holdings (Scotland) Limited (previously Ingen Technical Services Limited) is the smallest and Edwin James Group Limited (previously Edwin James Holdings Limited) is the largest group for which consolidated accounts are prepared. Both EJ Parker Technical Services Holdings (Scotland) Limited (previously Ingen Technical Services Limited) and Edwin James Group Limited (previously Edwin James Holdings Limited) are companies registered in Scotland. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.