

## **J&E Hall Limited**

### **For the year ended 31 March 2021**

#### **STRATEGIC REPORT**

The directors present their strategic report, annual report and the audited financial statements for the year ended 31 March 2021.

#### **BUSINESS REVIEW AND PRINCIPAL RISKS AND UNCERTAINTIES.**

##### **Performance Review**

The Directors are pleased to report company's markets were relatively insulated from the worst effects of COVID-19 and the lock down policy implemented to slow its spread. Revenues increased to £47,227,000 (2020: £45,402,000), an increase of 4% (2020: 7.3%) and gross profit showed a small reduction to £8,144,000 (2020: £8,288,000), a reduction of 1.7% (2020: Increase of 8.0%).

The company made a pre-tax Loss of £707,000 (2020: Profit of £35,000) and an operating loss of £197,000 (2020: Profit of £608,000). The loss was the result of a settlement and curtailment cost on the defined benefit pension scheme of £993,000.

The aftermarket service showed strong growth in both revenues and gross profit of 18% and 35% respectively. Its primary market in food and drink was buoyed by the increased demand from the supermarkets due to the public reaction to COVID 19 lockdown policy.

Contracting held its sales in a difficult market but saw gross margins deteriorate due to the impact of project delays and increasing material costs.

The Commercial products business saw a 17% reduction in sales during the first lockdown but through aggressive remedial actions recovered strongly in the second half of the year to finish flat year on year in both revenues and gross profit.

Order growth slowed versus the prior year resulting in a yearend backlog of £20,791,000 (2020: £22,426,000), a decline of 7% versus the corresponding position in the previous year.

Debtor days increased to 73 days (2020: 67 days). Working capital (net current assets excluding cash and overdraft) at the end of the year increased to £10,441,000 (2020: £9,240,000) due to increase in amounts recoverable on contracts. As a proportion of annual sales, this equates to 22.1% (2020: 20.4%).

Overall net borrowing (cash, overdraft and loans) increased by £967,000 due to an increase in working capital.

The pension deficit increased by £3,628,000. The fair value of assets increased by £4,395,000 however the present value of the funded obligations increased by £8,023,000 resulting in a deterioration in the overall deficit.

The Company is in a net liabilities position of £19,177,000 which has increased from £15,631,000 due to an increase in the net defined pension liability and the loss for the year. The increase in pension liability was mainly due to the lower discount rate.

The analysis provided in the business review forms the key performance indicators that the Directors use to assess the business.

##### **Markets and Strategy**

J&E Hall, a pioneer of refrigeration, is a fully integrated refrigeration business supplying products, contracting (design, engineering, and installation) and aftermarket service. To deliver its products and services, J & E Hall has regional offices in the UK and at various international locations supported by distributors and representatives as part of the Company's wider family. J&E Hall customer market segments are varied, from Food Processing, Pharmaceutical, Marine, Oil & Gas to other industrial sectors.

The key to success for the Company's evolution is listening to its customers and aligning with global megatrends. Since the introduction of the F Gas regulations, J&E Hall has been in consultation with its customer base to update their installations with available greener alternatives and energy efficient solutions in products and contracting. To add recent IPCC climate report has cited 'Code Red for Humanity' thereby green economies are only way forward.

This direction forms the basis for the research and development team to introduce products which improve customer processes, save energy costs and minimise environmental impact. As a result, this has fast tracked the development and acceptance of low GWP refrigerant based products in various market segments, ranging from commercial to industrial sectors. In this financial year itself J&E Hall has delivered projects with CO2 in addition to NH3 and Heat Pump for district energy sector which is a growing market.

**J&E Hall Limited**  
**For the year ended 31 March 2021**

**DIRECTORS' REPORT (CONTINUED)**

**Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)**

This section covers the energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

	<b>April 20 – March 21</b>	<b>April 19 – March 20</b>	<b>% difference</b>
Total energy use covering electricity, gas, other fuels and transport (kWh)	4,463,216	4,644,152	-3.90%
Total emissions generated through combustion of gas (tCO <sub>2</sub> e)	125.63	217.47	-42.23%
Total emissions generated through use of purchased electricity (tCO <sub>2</sub> e)	130.34	202.32	-35.58%
Total emissions generated through use of other fuels (tCO <sub>2</sub> e)	-	-	-
Total emissions generated through business travel (tCO <sub>2</sub> e)	795.29	938.90	-15.30%
Total gross emissions (tCO <sub>2</sub> e)	1,051.26	1,200.72	-12.45%
Intensity ratio - total gross emissions (kgCO <sub>2</sub> per sqft)	18.77	20.45	-8.22%
Intensity ratio - transport emissions (kgCO <sub>2</sub> per mile)	0.26	0.28	-7.14%

**Energy efficiency actions**

We are committed to responsible energy management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges, currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Moved to remote home working due to Covid-19. Will review when situation permits.
- Encouraged use of video conferencing.
- Travel reduced due to increased use of technology.

**Methodology used in the calculation of disclosures**

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) used in conjunction with Government GHG reporting conversion factors.

**CHARITABLE CONTRIBUTIONS**

Donations to UK charities amounted to nil (2020: £129).

The company made no political donations.