

Registered number: 00128554

CURRIE & WARNER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



CURRIE & WARNER LIMITED

COMPANY INFORMATION

Directors	Mr MI Lloyd (chairman) Mrs ME Lloyd Mr T Fox
Company secretary	Mr MS Lloyd
Registered number	00128554
Registered office	Summer Hill Works Powell Street Birmingham B1 3DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT

CURRIE & WARNER LIMITED

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CURRIE & WARNER LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Business review

Weaker demand resulted in a 13% fall in turnover during the year, principally in the company's export markets. Despite persistently high brass prices and energy costs, the company recovered raw margins from 47% to 51%, however with yet further increases in employment costs and further investment in skilled staff, the fall in turnover resulted in a significant fall in operating profit. The business made a large investment in additional machinery towards the end of the year, yet continues to maintain very strong net current assets of £2.8m.

Though disappointing, the contribution of both management and employees to the results for the year is both recognised and appreciated.

The Covid-19 pandemic has resulted in a large fall in demand across most markets during 2020. The business has continued to operate "Covid Secure" throughout, and whilst benefiting from the government's Job Retention Scheme, production for new customers required it to maintain staff costs early in the crisis and incur some redundancies in the second half of the year. Whilst demand has begun to recover, the low demand and high costs at the start of the year are expected to result in an overall operating loss for the year.

Notes to key performance indicators

Raw margin is defined as turnover less change in stocks of finished goods and work in progress, less raw materials and consumables, expressed as a percentage of turnover.

Financial risk management objectives and policies

The company's principal financial instruments comprise balances due to its parent company and cash and short-term deposits. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the company's financial instruments is credit risk. The board reviews and agrees policy for managing this risk and this is summarised below:

Credit risk

The company trades with only recognised, creditworthy third parties. It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

This report was approved by the board on 18 December 2020 and signed on its behalf.



Mr MS Lloyd
Secretary

CURRIE & WARNER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the manufacture and sale of brass repetition turned parts. There has been no significant change in the activity during the year.

Results and dividends

The profit for the year, after taxation, amounted to £10,053 (2018 - £372,713).

The directors do not recommend paying a dividend for the year (2018 - £161,075).

Post balance sheet events

At 31 December 2019 the Covid-19 pandemic had not yet commenced. The subsequent spread of Covid-19 does not provide evidence of conditions that existed at the year end and therefore is considered to be a non-adjusting post balance sheet event in accordance with Section 32 of FRS 102. Accordingly, the existence of Covid-19 has not been reflected in the directors' assessment of the measurement of assets and liabilities at 31 December 2019.

Going concern

The directors have considered the company's ability to continue as a going concern and have given particular attention to considering the impact of Covid-19.

The directors have prepared forecasts to 31 December 2021 which demonstrate that the company will continue in business for a period of at least 12 months from the date of signing these financial statements.

Taking into consideration the forecast trading and cashflow performance of the company, as well as the company's cash balance and the fact that it has no external debt, the directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements, on the basis that the company will be able to continue to meet its financial obligations as they fall due for a period of not less than 12 months from the date of approval of these financial statements.

Matters covered in the strategic report

Financial risk management objectives and policies and a review of the business have been included in the Strategic Report on page 1.

Directors

The directors who served during the year were:

Mr MI Lloyd (chairman)
Mrs ME Lloyd
Mr T Fox

CURRIE & WARNER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

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 each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 18 December 2020 and signed on its behalf.



Mr MS Lloyd
Secretary



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER LIMITED

Qualified opinion

We have audited the financial statements of Currie & Warner Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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, except for the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 qualified opinion

As more fully explained in note 20 to the financial statements, the financial statements do not contain the required disclosures under Section 28 'Employee Benefits' of FRS 102 in relation to the group's multi employer pension scheme, in which the company participates. As no information is available to us in respect of assets and liabilities of the scheme at 31 December 2019 or 31 December 2018, we have been unable to quantify the omissions.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER LIMITED (CONTINUED)

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the company will continue in operation.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CURRIE & WARNER LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

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

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

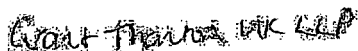
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of 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.



Natalie Gladwin BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

18 December 2020

CURRIE & WARNER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	6,293,239	7,227,091
Change in stocks of finished goods and work in progress		215,056	(74,766)
Raw materials and consumables		(3,310,629)	(3,720,775)
Other external charges		(598,102)	(571,102)
Staff costs		(2,488,921)	(2,303,505)
Depreciation and amortisation		(104,932)	(120,450)
Operating profit	7	5,711	436,493
Interest receivable and similar income	8	11,692	15,192
Profit before tax		17,403	451,685
Tax on profit	9	(7,350)	(78,972)
Profit for the year		10,053	372,713

All amounts relate to continuing operations.

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 11 to 24 form part of these financial statements.

CURRIE & WARNER LIMITED
REGISTERED NUMBER:00128554

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	1,145,870	528,302
Current assets			
Stocks	12	2,242,036	2,145,728
Debtors	13	2,035,983	1,842,897
Cash at bank and in hand	14	613,099	1,260,117
		<u>4,891,118</u>	<u>5,248,742</u>
Creditors: amounts falling due within one year	15	(2,040,905)	(1,917,350)
Net current assets		<u>2,850,213</u>	<u>3,331,392</u>
Total assets less current liabilities		<u>3,996,083</u>	<u>3,859,694</u>
Provisions for liabilities			
Deferred tax	17	(187,504)	(61,168)
Net assets		<u><u>3,808,579</u></u>	<u><u>3,798,526</u></u>
Capital and reserves			
Called up share capital	18	32,215	32,215
Profit and loss account	19	3,776,364	3,766,311
Shareholders' funds		<u><u>3,808,579</u></u>	<u><u>3,798,526</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2020.



Mr MI Lloyd
 Director

The notes on pages 11 to 24 form part of these financial statements.

CURRIE & WARNER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	32,215	3,766,311	3,798,526
Comprehensive income for the year			
Profit for the year	-	10,053	10,053
Total comprehensive income for the year	-	10,053	10,053
At 31 December 2019	32,215	3,776,364	3,808,579

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	32,215	3,554,673	3,586,888
Comprehensive income for the year			
Profit for the year	-	372,713	372,713
Total comprehensive income for the year	-	372,713	372,713
Dividends: Equity capital	-	(161,075)	(161,075)
At 31 December 2018	32,215	3,766,311	3,798,526

The notes on pages 11 to 24 form part of these financial statements.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Currie & Warner Limited is a limited liability company incorporated in England and Wales. The registered office address is Summer Hill Works, Powell Street, Birmingham, B1 3DH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and 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 the directors to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Currie & Warner (Holdings) Limited as at 31 December 2019 and these financial statements may be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH.

2.3 Going concern

The directors have considered the company's ability to continue as a going concern and have given particular attention to considering the impact of Covid-19.

The directors have prepared forecasts to 31 December 2021 which demonstrate that the company will continue in business for a period of at least 12 months from the date of signing these financial statements.

Taking into consideration the forecast trading and cashflow performance of the company, as well as the company's cash balance and the fact that it has no external debt, the directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements, on the basis that the company will be able to continue to meet its financial obligations as they fall due for a period of not less than 12 months from the date of approval of these financial statements.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.4 Revenue**

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

Sale of goods

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

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

2.5 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 the directors.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Plant and machinery	- Between 5 and 15 years
Fixtures, fittings, tooling and equipment	- Between 4 and 10 years
Motor vehicles	- Between 3 and 5 years

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

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

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 Stocks and work in progress

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.8 Debtors

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

2.9 Cash and cash equivalents

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

2.10 Financial instruments

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

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

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 recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

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

2.12 Dividends

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

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 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 payments obligations.

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

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.15 Interest income

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

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates, including the following:

Stocks

Certain factors could affect the realisable value of the company's stocks, including customer demand and market conditions. The directors consider historic usage, expected demand, anticipated sales price, product obsolescence and other factors when evaluating the value of stock.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Analysis of turnover

The whole of the turnover is attributable to the company's principal activities.

The analysis of turnover by geographical area is as follows:

	2019 £	2018 £
United Kingdom	4,301,299	4,404,117
Rest of Europe	1,503,810	1,923,196
North America	488,130	899,778
	<u>6,293,239</u>	<u>7,227,091</u>

5. Staff numbers and costs

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

	2019 £	2018 £
Wages and salaries	2,250,938	2,093,179
Social security costs	191,301	176,896
Other pension costs	46,682	33,430
	<u>2,488,921</u>	<u>2,303,505</u>

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

	2019 No.	2018 No.
Management	7	7
Administration and sales	13	11
Production	77	72
	<u>97</u>	<u>90</u>

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	69,700	69,540
Company pension contributions	1,926	1,861
	<u>71,626</u>	<u>71,401</u>

During the year retirement benefits were accruing to one director (2018 - one) in respect of defined contribution pension schemes.

7. Operating profit

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

	2019 £	2018 £
Depreciation of tangible fixed assets	104,932	120,450
Auditor's remuneration for the audit of the company's financial statements	7,200	6,900
Differences on foreign exchange	11,146	(72,456)
Operating lease rentals	86,562	86,000
	<u>86,562</u>	<u>86,000</u>

Fees payable to the company's auditor for services other than the statutory audit of the company are disclosed on a group basis in the financial statements of the ultimate parent company.

8. Interest receivable

	2019 £	2018 £
Bank interest	11,629	15,192
Other interest receivable	63	-
	<u>11,692</u>	<u>15,192</u>

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	68,904
Charges for group losses surrendered	(50,082)	-
Adjustments in respect of prior years	(68,904)	-
Total current tax	<u>(118,986)</u>	<u>68,904</u>
Deferred tax		
Origination and reversal of timing differences	122,938	10,068
Effect of change in tax rate on opening asset/liability	3,398	-
Total deferred tax	<u>126,336</u>	<u>10,068</u>
Taxation on profit	<u><u>7,350</u></u>	<u><u>78,972</u></u>

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before tax	17,403	451,685
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	3,307	85,820
Effects of:		
Expenses not deductible for tax purposes	132	14
Depreciation on assets not eligible for capital allowances	513	622
Utilisation of tax losses	-	(6,925)
Losses surrendered as group relief	50,082	-
Deferred tax rate different to standard UK rate	-	(559)
Change in deferred tax rate	3,398	-
Losses carried back	69,265	-
Charges for group losses surrendered	(50,082)	-
Adjustments in respect of prior years - deferred tax	(361)	-
Adjustments in respect of prior years - current tax	(68,904)	-
Total tax charge for the year	7,350	78,972

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020.

10. Dividends

	2019 £	2018 £
Dividends paid on equity capital	-	161,075

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tangible fixed assets

	Plant & machinery £	Fixtures, fittings, tooling and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2019	4,809,080	728,571	86,783	5,624,434
Additions	708,731	13,769	-	722,500
At 31 December 2019	<u>5,517,811</u>	<u>742,340</u>	<u>86,783</u>	<u>6,346,934</u>
Depreciation				
At 1 January 2019	4,443,735	632,739	19,658	5,096,132
Charge for the year	58,924	24,686	21,322	104,932
At 31 December 2019	<u>4,502,659</u>	<u>657,425</u>	<u>40,980</u>	<u>5,201,064</u>
Net book value				
At 31 December 2019	<u><u>1,015,152</u></u>	<u><u>84,915</u></u>	<u><u>45,803</u></u>	<u><u>1,145,870</u></u>
At 31 December 2018	<u><u>365,345</u></u>	<u><u>95,832</u></u>	<u><u>67,125</u></u>	<u><u>528,302</u></u>

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Stocks

	2019 £	2018 £
Raw materials	1,044,418	1,163,166
Work in progress	596,067	462,948
Finished goods	601,551	519,614
	<u>2,242,036</u>	<u>2,145,728</u>

13. Debtors

	2019 £	2018 £
Trade debtors	1,263,151	1,246,697
Amounts owed by fellow subsidiaries	429,651	438,010
Other debtors	319,064	131,761
Prepayments and accrued income	24,117	26,429
	<u>2,035,983</u>	<u>1,842,897</u>

Amounts owed by fellow subsidiaries are repayable on demand. No interest is charged on these balances.

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>613,099</u>	<u>1,260,117</u>

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	990,820	1,095,830
Amounts owed to parent	309,047	412,853
Amounts owed to fellow subsidiaries	14,899	12,304
Corporation tax	-	68,904
Other taxation and social security	134,950	210,213
Other creditors	502,764	10,457
Accruals and deferred income	88,425	106,789
	<u>2,040,905</u>	<u>1,917,350</u>

Amounts owed to parent and fellow subsidiaries are unsecured and repayable on demand. No interest is charged on these balances.

16. Financial instruments

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	613,099	1,260,117
Financial assets measured at amortised cost	1,942,601	1,816,468
	<u>2,555,700</u>	<u>3,076,585</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,905,955)</u>	<u>(1,638,233)</u>

Cash and cash equivalents comprise cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by fellow subsidiaries and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to parent, amounts owed to fellow subsidiaries, other creditors and accruals.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Deferred taxation

	Deferred tax £
At 1 January 2019	(61,168)
Charged to profit or loss	(126,336)
At 31 December 2019	(187,504)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(188,348)	(61,882)
Other timing differences	844	714
	<u>(187,504)</u>	<u>(61,168)</u>

18. Share capital

	2019 £	2018 £
Authorised		
33,000 ordinary shares of £1 each	<u>33,000</u>	<u>33,000</u>
Allotted, called up and fully paid		
32,215 ordinary shares of £1 each	<u>32,215</u>	<u>32,215</u>

Share capital represents the nominal value of shares that have been issued. There are no restrictions attached to the one class of share capital.

19. Reserves

Profit and loss account

The profit and loss account contains all current and prior period retained earnings.

CURRIE & WARNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Pension commitments

The company participates in a group defined benefit pension scheme which is closed to new entrants and future accrual of benefits. The assets of the scheme are administered by trustees and are held separately from the group. The company is unable to identify its share of the assets and liabilities of the group pension scheme, and has therefore followed the provisions for multi employer schemes within Section 28 of Financial Reporting Standard 102 "Employee Benefits" and not provided for an asset or liability. The company has not obtained and disclosed an asset or liability at 31 December 2018 in accordance with Section 28. Whilst there is no direct relationship with the Section 28 valuation, at the last actuarial valuation prepared as at 5 April 2017 the scheme had a surplus of assets over liabilities amounting to £56,000.

The principal assumption used in the actuarial valuation was that long term investment returns will be 2.15% per annum above inflation.

The company also participates in a group defined contribution scheme, for which the liability is limited to the annual contributions payable. As at 31 December 2019, the total contributions due for payment to the pension provider after the year end were £10,647 (2018 - £8,965).

21. Parent company

The ultimate parent company is Currie & Warner (Holdings) Limited incorporated in Great Britain and registered in England and Wales.

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH.