

Registration number: 01149441

SIMCO (ENGINEERS) LIMITED
Filleted Annual Report and Financial Statements
for the Year Ended 31 March 2023



Simco (Engineers) Limited

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Simco (Engineers) Limited

Company Information

Chairman	H D Imrie
Directors	P A Thomson K Heyhurst G I Imrie
Registered office	Monksway Bede Trading Estate Jarrow Tyne and Wear NE32 3HJ
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Simco (Engineers) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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). 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 and 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 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.

Simco (Engineers) Limited

(Registration number: 01149441)


Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	209,544	228,904
Investments	6	<u>2</u>	<u>2</u>
		<u>209,546</u>	<u>228,906</u>
Current assets			
Stocks	7	853,293	788,025
Debtors	8	553,803	445,489
Cash at bank and in hand		<u>3,278,621</u>	<u>3,142,510</u>
		4,685,717	4,376,024
Creditors: Amounts falling due within one year	9	<u>(345,482)</u>	<u>(347,972)</u>
Net current assets		<u>4,340,235</u>	<u>4,028,052</u>
Total assets less current liabilities		4,549,781	4,256,958
Provisions for liabilities		<u>(36,808)</u>	<u>(39,087)</u>
Net assets		<u>4,512,973</u>	<u>4,217,871</u>
Capital and reserves			
Called up share capital		9,000	9,000
Capital redemption reserve		9,000	9,000
Profit and loss account		<u>4,494,973</u>	<u>4,199,871</u>
Total equity		<u>4,512,973</u>	<u>4,217,871</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Income Statement.

Approved and authorised by the Board on 3/10/2023 and signed on its behalf by:


.....
K Heyhurst
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is Monksway, Bede Trading Estate, Jarrow, Tyne and Wear, NE32 3HJ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Group accounts not prepared

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations. At the balance sheet date the company had net current assets of £4,340,235 (2022 - £4,028,052) including cash of £3,278,621 (2022 - £3,142,510) and had no external debt.

The company's forecasts and projections for the next twelve months show that the company should have sufficient cash funds to be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the current high levels of inflation and energy prices on the wider economy. This also considers the effectiveness of available measures to assist in mitigating the impact.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when the goods have been dispatched, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold property	10 - 50 years straight line
Plant, machinery and tools	5 -10 years straight line
Office furniture and equipment	5 - 7 years straight line
Motor vehicles	4 years straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 23 (2022 - 24).

4 Auditor's remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>7,725</u>	<u>7,350</u>

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

5 Tangible assets

	Long leasehold land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2022	325,055	931,437	49,142	15,901	1,321,535
Additions	3,120	26,525	4,068	-	33,713
At 31 March 2023	328,175	957,962	53,210	15,901	1,355,248
Depreciation					
At 1 April 2022	179,467	853,606	43,657	15,901	1,092,631
Charge for the year	13,316	37,638	2,119	-	53,073
At 31 March 2023	192,783	891,244	45,776	15,901	1,145,704
Carrying amount					
At 31 March 2023	135,392	66,718	7,434	-	209,544
At 31 March 2022	145,588	77,831	5,485	-	228,904

Included within the net book value of land and buildings above is £88,718 (2022 - £92,804) in respect of long leasehold land and buildings.

6 Investments

	2023 £	2022 £
Investments in subsidiaries	2	2
Subsidiaries		£
Cost or valuation		
At 1 April 2022		2
At 31 March 2023		2
Provision		
At 1 April 2022		-
At 31 March 2023		-
Carrying amount		
At 31 March 2023		2
At 31 March 2022		2

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

6 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Simco Supply Co. Limited	Monksway, Bede Trading Estate, Jarrow, Tyne and Wear, NE32 3HJ England and Wales	Ordinary	100%	100%

Subsidiary undertakings

Simco Supply Co. Limited

The principal activity of Simco Supply Co. Limited is that of a dormant company.

7 Stocks

	2023	2022
	£	£
Raw materials and consumables	747,069	619,118
Work in progress	106,224	168,907
	<u>853,293</u>	<u>788,025</u>

8 Debtors

	2023	2022
	£	£
Trade debtors	462,356	399,498
Prepayments	74,463	45,991
Other debtors	16,984	-
	<u>553,803</u>	<u>445,489</u>

Simco (Engineers) Limited

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

9 Creditors

Creditors: amounts falling due within one year

	2023 £	2022 £
Due within one year		
Trade creditors	115,218	146,230
Amounts owed to group undertakings	2	2
Taxation and social security	31,963	29,102
Accruals and deferred income	34,015	52,190
Other creditors	70,000	51,080
Corporation tax liability	94,284	69,368
	<u>345,482</u>	<u>347,972</u>

10 Dividends

	2023 £	2022 £
Interim dividend of £99,999 (2022 - £99,999)	<u>99,999</u>	<u>99,999</u>

11 Related party transactions

The company is ultimately controlled by Mr HD Imrie.

During the year, Mr HD Imrie, also a director of the company, advanced £5,000 (2022 - £48,000) funds to the company. Interest of £241 (2022 - £570) was charged at 3.0% above base rate on these amounts. These funds were used to pay certain expenses on behalf of Mr HD Imrie and at the year end £nil (2022 - £nil) was owed to the company by Mr HD Imrie.

The maximum amount, including interest, advanced by Mr HD Imrie at any point during the year was £5,000 (2022 - £40,000).

12 Audit report

The Independent Auditor's Report was unqualified.

The name of the Senior Statutory Auditor who signed the audit report on 2/10/23 was Christopher Potter BA (Hons) ACA, who signed for and on behalf of Azets Audit Services.

Azets Audit Services is a trading name of Azets Audit Services Limited