

Company Registration No. 01681439 (England and Wales)

**SIDERISE (SPECIAL PRODUCTS) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# **SIDERISE (SPECIAL PRODUCTS) LIMITED**

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# SIDERISE (SPECIAL PRODUCTS) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

|                                                                | Notes | 2019<br>£          | £                | 2018<br>£        | £                |
|----------------------------------------------------------------|-------|--------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                            |       |                    |                  |                  |                  |
| Tangible assets                                                | 3     |                    | 150,452          |                  | 175,506          |
| <b>Current assets</b>                                          |       |                    |                  |                  |                  |
| Stocks                                                         |       | 403,507            |                  | 460,055          |                  |
| Debtors                                                        | 4     | 976,877            |                  | 1,045,809        |                  |
| Cash at bank and in hand                                       |       | 2,026,451          |                  | 718,285          |                  |
|                                                                |       | <u>3,406,835</u>   |                  | <u>2,224,149</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 5     | <u>(1,816,580)</u> |                  | <u>(641,176)</u> |                  |
| <b>Net current assets</b>                                      |       |                    | 1,590,255        |                  | 1,582,973        |
| <b>Total assets less current liabilities</b>                   |       |                    | <u>1,740,707</u> |                  | <u>1,758,479</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 6     |                    | (44,544)         |                  | (62,454)         |
| <b>Provisions for liabilities</b>                              |       |                    | <u>(15,537)</u>  |                  | <u>(26,614)</u>  |
| <b>Net assets</b>                                              |       |                    | <u>1,680,626</u> |                  | <u>1,669,411</u> |
| <b>Capital and reserves</b>                                    |       |                    |                  |                  |                  |
| Called up share capital                                        |       |                    | 100              |                  | 100              |
| Profit and loss reserves                                       |       |                    | <u>1,680,526</u> |                  | <u>1,669,311</u> |
| <b>Total equity</b>                                            |       |                    | <u>1,680,626</u> |                  | <u>1,669,411</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2020 and are signed on its behalf by:

A R James  
Director

Company Registration No. 01681439

# **SIDERISE (SPECIAL PRODUCTS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Siderise (Special Products) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Siderise Forge Industrial Estate, Nantyllyn, Maesteg, Wales, CF34 0AH.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. In making their assessment the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered facilities that are in place at the date of signing the report.

Post year end as a consequence of the measures taken by the UK Government to manage the impact of Covid-19, the day to day operations of the business have seen some disruption. It is difficult to evaluate all of the potential implications of these measures on the company's trade, customers, suppliers and the wider economy. However, based on the information that is currently known, the directors have taken steps to manage the company's cash flow requirements during this period of uncertainty.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# SIDERISE (SPECIAL PRODUCTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                       |                                          |
|-----------------------|------------------------------------------|
| Plant and equipment   | 25% Reducing Balance & 33% Straight Line |
| Fixtures and fittings | 25% Reducing Balance & 33% Straight Line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SIDERISE (SPECIAL PRODUCTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SIDERISE (SPECIAL PRODUCTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# SIDERISE (SPECIAL PRODUCTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|       | 2019<br>Number | 2018<br>Number |
|-------|----------------|----------------|
| Total | 32             | 32             |

### 3 Tangible fixed assets

|                                    | Plant and<br>machinery etc |
|------------------------------------|----------------------------|
|                                    | £                          |
| <b>Cost</b>                        |                            |
| At 1 January 2019                  | 659,866                    |
| Additions                          | 29,690                     |
| At 31 December 2019                | 689,557                    |
| <b>Depreciation and impairment</b> |                            |
| At 1 January 2019                  | 484,360                    |
| Depreciation charged in the year   | 54,744                     |
| At 31 December 2019                | 539,105                    |
| <b>Carrying amount</b>             |                            |
| At 31 December 2019                | 150,452                    |
| At 31 December 2018                | 175,506                    |

### 4 Debtors

|                                             | 2019<br>£ | 2018<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 889,721   | 948,677   |
| Corporation tax recoverable                 | -         | 58,752    |
| Amounts owed by group undertakings          | 42,484    | -         |
| Other debtors                               | 44,672    | 38,380    |
|                                             | 976,877   | 1,045,809 |

## SIDERISE (SPECIAL PRODUCTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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**5 Creditors: amounts falling due within one year**

|                                    | 2019      | 2018    |
|------------------------------------|-----------|---------|
|                                    | £         | £       |
| Trade creditors                    | 101,199   | 184,408 |
| Amounts owed to group undertakings | 1,416,511 | 190,004 |
| Corporation tax                    | 23,500    | 47,654  |
| Other taxation and social security | 125,801   | 66,638  |
| Other creditors                    | 149,569   | 152,472 |
|                                    | <hr/>     | <hr/>   |
|                                    | 1,816,580 | 641,176 |
|                                    | <hr/>     | <hr/>   |

**6 Creditors: amounts falling due after more than one year**

|                 | 2019   | 2018   |
|-----------------|--------|--------|
|                 | £      | £      |
| Other creditors | 44,544 | 62,454 |
|                 | <hr/>  | <hr/>  |

**7 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

**Emphasis of matter**

We draw attention to note 1.2 in the financial statements which indicates that the company as a consequence of the emergence of the Covid-19 virus post year end has encountered disruption within the sector it operates. The Directors have taken steps to mitigate this disruption and to manage cash flow requirements during this period however there is uncertainty in terms of the impact of Covid-19 on the company's customers and the wider economy once the restrictions are lifted. Our audit report is not modified in respect of this matter.

The senior statutory auditor was Laura Farrow MSc BSc FCA.

The auditor was Baldwins Audit Services.

**8 Financial commitments, guarantees and contingent liabilities**

A floating charge was created on 25 June 2019 in favour of HSBC UK Bank Plc over all the property and undertakings of the company.

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