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S G Castings (Nelson) Limited

Registered number: 1703711

Unaudited financial statements

For the year ended 31 December 2016



S G CASTINGS (NELSON) LIMITED
REGISTERED NUMBER: 1703711

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	44,338	23,006
		<u>44,338</u>	<u>23,006</u>
Current assets			
Stocks	5	17,743	11,327
Debtors: amounts falling due within one year	6	214,453	98,264
Cash at bank and in hand	7	75,190	185,452
		<u>307,386</u>	<u>295,043</u>
Creditors: amounts falling due within one year	8	(194,212)	(161,491)
Net current assets		<u>113,174</u>	<u>133,552</u>
Total assets less current liabilities		<u>157,512</u>	<u>156,558</u>
Net assets		<u><u>157,512</u></u>	<u><u>156,558</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>157,412</u>	<u>156,458</u>
		<u><u>157,512</u></u>	<u><u>156,558</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


M Earnshaw
 Director


P Fox
 Director

26 September 2017.

S G CASTINGS (NELSON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

S G Castings (Nelson) Limited is a limited company guaranteed by shares, incorporated in England and Wales. The company registered number and office can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company is profitable, cash generative and currently not reliant on bank funding for its working capital requirements. On the basis that there are no material uncertainties related to any events or conditions which may impact the ability of the company to continue to operate profitably and free of debt for the foreseeable future, the directors continue to adopt the going concern basis in preparing the financial statement of the company.

2.3 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.4 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% Straight line
Plant & machinery	- 15% Straight line
Motor vehicles	- 20% 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 Statement of Comprehensive Income.

2.5 Stocks

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 profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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.

2.8 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.12 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 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.

2.13 Interest income

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

2.14 Taxation

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.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2015 - 11).

S G CASTINGS (NELSON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2016	131,163	487,067	54,105	672,335
Additions	-	33,295	-	33,295
Disposals	-	-	(16,930)	(16,930)
At 31 December 2016	131,163	520,362	37,175	688,700
Depreciation				
At 1 January 2016	124,171	475,858	49,300	649,329
Charge for the year on owned assets	655	6,872	4,436	11,963
Disposals	-	-	(16,930)	(16,930)
At 31 December 2016	124,826	482,730	36,806	644,362
Net book value				
At 31 December 2016	6,337	37,632	369	44,338
At 31 December 2015	6,992	11,209	4,805	23,006

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	17,750	-

5. Stocks

	2016 £	2015 £
Finished goods and goods for resale	17,743	11,327

S G CASTINGS (NELSON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Debtors

	2016	2015
	£	£
Trade debtors	121,931	71,450
Amounts owed by group undertakings	88,199	23,658
Prepayments and accrued income	4,323	3,156
	<u>214,453</u>	<u>98,264</u>

7. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	<u>75,190</u>	<u>185,452</u>

8. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	55,286	19,135
Amounts owed to group undertakings	57,000	72,417
Corporation tax	12,750	23,500
Other taxation and social security	39,733	31,870
Obligations under finance lease and hire purchase contracts	13,053	421
Other creditors	7,074	6,121
Accruals and deferred income	9,316	8,027
	<u>194,212</u>	<u>161,491</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which the finance relates.

9. Pension commitments

The Company operates a defined contributions 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 £940 (2015 - £nil). Contributions totalling £nil (2015 - £nil) were payable to the fund at the reporting date.

S G CASTINGS (NELSON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	3,114	-
Later than 1 year and not later than 5 years	3,893	-
	<u>7,007</u>	<u>-</u>

11. Related party transactions

WB White Foundry (Holdings) Limited is the immediate and ultimate parent company of S G Castings (Nelson) Limited. The loan account between the two entities fluctuates during the year in respect of dividends voted and funds transferred between the entities.

W B White Foundry Limited is also a subsidiary of WB White Foundry (Holdings) Limited. S G Castings (Nelson) Limited has made sales of £239,656 (2015 - 140,557) to W B White Foundry Limited and purchases of £34,545 (2015 - £13,375) from W B White Foundry Limited in the year.

The debtor / (creditor) balances outstanding at the year end were as follows:

	2016 £	2015 £
WB White Foundry (Holdings) Limited	(57,000)	(72,417)
W B White Foundry Limited	<u>88,199</u>	<u>23,658</u>

12. Controlling party

The ultimate controlling party is M Earnshaw as a result of his majority shareholding in the parent company, WB White Foundry (Holdings) Limited.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.