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S G Castings (Nelson) Limited

Registered number: 01703711

Unaudited financial statements

For the year ended 31 December 2019



S G CASTINGS (NELSON) LIMITED
REGISTERED NUMBER: 01703711

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	72,230	74,533
		<u>72,230</u>	<u>74,533</u>
Current assets			
Stocks		8,262	13,770
Debtors: amounts falling due within one year	5	184,589	155,535
Cash at bank and in hand	6	81,281	112,248
		<u>274,132</u>	<u>281,553</u>
Creditors: amounts falling due within one year	7	(165,008)	(174,834)
Net current assets		<u>109,124</u>	<u>106,719</u>
Total assets less current liabilities		<u>181,354</u>	<u>181,252</u>
Provisions for liabilities			
Deferred tax		(9,120)	(9,198)
Net assets		<u>172,234</u>	<u>172,054</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		172,134	171,954
		<u>172,234</u>	<u>172,054</u>

S G CASTINGS (NELSON) LIMITED
REGISTERED NUMBER: 01703711

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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 the 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

30 May 2020


M Earnshaw
Director



P Fox
Director

S G CASTINGS (NELSON) LIMITED

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

1. General information

S G Castings (Nelson) Limited is a limited company incorporated in the United Kingdom. The address of its registered office is Walverden Foundry, Brook Street, Nelson, BB9 9PU.

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.

S G CASTINGS (NELSON) LIMITED

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

2. Accounting policies (continued)

2.4 Interest income

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

2.5 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.

2.6 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.

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

2. Accounting policies (continued)**2.7 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.

2.8 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.

2.9 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 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.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.12 Financial instruments

The Company only enters into basic financial instrument 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.

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

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

2. Accounting policies (continued)**2.12 Financial instruments (continued)**

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

2.13 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.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2018 - 16).

S G CASTINGS (NELSON) LIMITED

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

4. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2019	131,163	570,786	14,995	716,944
Additions	-	9,310	-	9,310
At 31 December 2019	<u>131,163</u>	<u>580,096</u>	<u>14,995</u>	<u>726,254</u>
Depreciation				
At 1 January 2019	126,136	501,280	14,995	642,411
Charge for the year on owned assets	655	10,958	-	11,613
At 31 December 2019	<u>126,791</u>	<u>512,238</u>	<u>14,995</u>	<u>654,024</u>
Net book value				
At 31 December 2019	<u>4,372</u>	<u>67,858</u>	<u>-</u>	<u>72,230</u>
At 31 December 2018	<u>5,027</u>	<u>69,506</u>	<u>-</u>	<u>74,533</u>

5. Debtors

	2019 £	2018 £
Trade debtors	123,818	62,431
Amounts owed by group undertakings	56,743	88,748
Prepayments and accrued income	4,028	4,356
	<u>184,589</u>	<u>155,535</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>81,281</u>	<u>112,248</u>

S G CASTINGS (NELSON) LIMITED

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

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	41,793	46,583
Amounts owed to group undertakings	50,000	70,000
Corporation tax	11,500	1,424
Other taxation and social security	46,572	38,443
Other creditors	2,900	6,321
Accruals and deferred income	12,243	12,063
	<u>165,008</u>	<u>174,834</u>

8. 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 £293,852 (2018 - £348,102) to W B White Foundry Limited and purchases of £50,781 (2018 - £123,530) from W B White Foundry Limited in the year.

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

	2019 £	2018 £
WB White Foundry (Holdings) Limited	(50,000)	(70,000)
W B White Foundry Limited	56,743	88,748

9. Post balance sheet events

The Directors have considered the uncertainty associated with the company's future trading performance and funding in regard to COVID-19 and are aware of the impacts on the business.

10. 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.