Financial Statements JVM Castings (Tamworth) Limited

For the Year Ended 31 March 2016

Registered number: 02677869

Company Information

Directors	R Murcott P W Murcott K D Murcott T M Brophy (resigned 30 June 2016) K Parker S Ruffle C J McCarthy (appointed 1 April 2016)
Registered number	02677869
Registered office	Borman Apollo Lichfield Road Industrial Estate Tamworth B79 7TA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT
Bankers	Lloyds Bank Plc 114 - 116 Colmore Row Birmingham B3 3BD
Solicitors	Wragge & Co LLP 55 Colmore Row Birmingham B3 2AS

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Strategic Report
For the Year Ended 31 March 2016

Introduction

JVM Castings (Tamworth) Limited is part of the JVM Castings Limited group, that also includes JVM Castings (Worcester) Limited.

JVM Castings (Tamworth) Limited is the original manufacturing facility of the group, and enjoys a depth of expertise and experience; and is the main site for research and development.

The company has the capability to supply low, medium and high volumes of castings to our local and global customers efficiently and effectively.

Business review

On 23 June 2016 the UK population voted in favour of leaving the EU.

The impact this will have on UK manufacturing has yet to be seen; however a weaker currency may lead to more production being re-shored back in the UK.

We will be responsive to the market place.

Our financial strength coupled with our "improvise, adapt and overcome" mentality, will ensure we are well equipped to react and benefit from these opportunities.

Once again we end this year as a stronger business than we started.

We wish to thank all our stakeholders for their hard work and dedication, this coupled with our continued investment in our core competencies means that we are pleased to announce a pre-tax profit of £162k, for FY16.

Strategic Report
For the Year Ended 31 March 2016

Principal risks and uncertainties

The principal financial risks facing the business are

- volatility in the price of key raw materials
- maintaining production efficiency
- reliance on certain key customers within the automotive industry

It is the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate, credit, liquidity, economic downturn and people. The board reviews and agrees policies for managing each risk.

The directors are of the opinion that the company has adopted a thorough risk management process that involves the formal review of all the risks identified below. The board monitors and reviews risk on a regular basis, in order to mitigate each risk area.

Interest rate risk
The company's exposure to market risk for changes in interest rates related primarily to its invoice discounting facility where interest is paid at a margin above base rate.

Credit risk
The company only trades with recognised, credit worthy third parties; credit is a privilege not a right. It is a 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 debt is not significant.

Liquidity Risk
The company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash in bank generated through trading and the invoice discounting facility.

Economic downturn
The success of the company is reliant on consumer and industrial spending. An economic downturn, resulting in reduction of consumer spending power may have a direct impact on the income achieved by the company. In response to this risk, senior management continually monitors economic conditions and customer forecasts.

People
The success of the company is dependent upon the recruitment and retention of our employees.
We have excellent working relationship with our highly competent workforce, resulting in a very pleasing average length of service.

Financial key performance indicators

The key performance indicators for the company are turnover, pre-tax profit and EBITDA.

Performance for FY16 is summarised below

- turnover of £11.9m (2015 : £13.5m)
- pre-tax profit of £162.2k (2015 : loss of £374.8k)
- EBITDA of £831.6k (2015 : £310.6k)

Strategic Report
For the Year Ended 31 March 2016

Going concern

The company's business activities and financial position, together with the factors likely to affect its future development, performance and position are set out in the principal activities and business review in this report. In addition, this report includes the company's policies and processes for managing financial risk.

The directors have 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 of accounting in preparing the annual financial statements.

This report was approved by the board on 9 December 2016 and signed on its behalf.

P W Murcott
Director

Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £156,664 (2015 - loss £173,578).

The directors do not recommend the payment of a dividend (2015: £Nil).

Directors

The directors who served during the year were:

R Murcott
P W Murcott
K D Murcott
T M Brophy (resigned 30 June 2016)
K Parker
S Ruffle

C J McCarthy was appointed as a director on 1 April 2016.

Matters covered in the strategic report

The business review, principal risks and uncertainties, financial key performance indicators and going concern are included in the strategic report.

Directors' Report (continued)
For the Year Ended 31 March 2016

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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 9 December 2016 and signed on its behalf.

P W Murcott
Director

Grant Thornton

Independent Auditor's Report to the Members of JVM Castings (Tamworth) Limited

We have audited the financial statements of JVM Castings (Tamworth) Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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 those financial statements.

Grant Thornton

Independent Auditor's Report to the Members of JVM Castings (Tamworth) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Grant Thornton UK LLP

Kathryn Godfree (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Birmingham

13 December 2016

Statement of Comprehensive Income
For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	**11,873,968**	13,473,897
Operating costs		**(11,651,557)**	(13,775,862)
Gross profit/(loss)		**222,411**	(301,965)
Interest payable and similar charges	9	**(60,169)**	(72,916)
Profit/(loss) before tax		**162,242**	(374,881)
Tax on profit/(loss)	10	**(5,578)**	201,303
Total comprehensive income for the year		**156,664**	(173,578)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 11 to 25 form part of these financial statements.

JVM Castings (Tamworth) Limited
Registered number:02677869

Statement of Financial Position
As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	11		**1,564,815**		2,353,770
			1,564,815		2,353,770
Current assets					
Stocks	12	**670,856**		783,599	
Debtors: amounts falling due within one year	13	**2,256,326**		2,876,208	
Cash at bank and in hand	14	**42,710**		63,025	
		2,969,892		3,722,832	
Creditors: amounts falling due within one year	15	**(3,070,649)**		(4,248,363)	
Net current liabilities			**(100,757)**		(525,531)
Total assets less current liabilities			**1,464,058**		1,828,239
Creditors: amounts falling due after more than one year			**(12,201)**		(533,046)
Net assets			**1,451,857**		1,295,193
Capital and reserves					
Called up share capital	19		**2**		2
Profit and loss account	20		**1,451,855**		1,295,191
			1,451,857		1,295,193

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 December 2016.

P W Murcott
Director

The notes on pages 11 to 25 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2	1,295,191	1,295,193
Comprehensive income for the year			
Profit for the year	-	156,664	156,664
Total comprehensive income for the year	-	156,664	156,664
At 31 March 2016	2	1,451,855	1,451,857

Statement of Changes in Equity
For the Year Ended 31 March 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	2	1,468,769	1,468,771
Comprehensive income for the year			
Loss for the year	-	(173,578)	(173,578)
Total comprehensive income for the year	-	(173,578)	(173,578)
At 31 March 2015	2	1,295,191	1,295,193

The notes on pages 11 to 25 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 March 2016

1. General information

JVM Castings (Tamworth) Limited is a limited liability company registered in England and Wales. The registered office address is Borman, Apollo, Lichfield Road Industrial Estate, Tamworth. B79 7TA. The principal activity of JVM Castings (Tamworth) Limited in the year under review was the manufacture, machining, assembly and supply of aluminium pressure diecastings.

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 the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment 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 JVM Castings Limited as at 31 March 2016 and these financial statements may be obtained from Borman, Apollo, Lichfield Road Industrial Estate, Tamworth, B79 7TA.

2.3 Going concern

The company's business activities and financial position, together with the factors likely to affect its future development, performance and position are set out in the principal activities and business review in this report. In addition, this report includes the company's policies and processes for managing financial risk.

The directors have 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 of accounting in preparing the annual financial statements.

Notes to the Financial Statements
For the Year Ended 31 March 2016

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.

For products supplied to customers, turnover is recognised on despatch of the product. For equipment developed for customers, turnover is recognised based on the stage of completion of that equipment.

2.5 Amounts recoverable on contracts

The company incurs expenditure on the development of equipment for customers. Where such costs are to be recharged to the ultimate customer, the costs plus forecast margin are included within amounts recoverable on contracts. Amounts invoiced are deducted from the carrying value of amounts recoverable on contracts with any residual balance, where amounts invoiced exceed the debtor recognised to date, being classified as payments on account and included in creditors. Provision is made for excess costs that cannot be recovered from the ultimate customer as such costs are identified.

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.

Notes to the Financial Statements
For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Leasehold improvements	- Over the term of the lease
Plant & machinery	- 5-20 years
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 3-10 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 in the Statement of comprehensive income.

2.7 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Notes to the Financial Statements
For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.9 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 based on a normal level of activity. No element of profit is included in the valuation of work in progress or finished goods.

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.

2.10 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.

2.11 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 accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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 Profit and loss account.

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.

2.12 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.

Notes to the Financial Statements
For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Finance costs

Finance costs are charged to the Income statement 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.

2.16 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 Income statement 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.

2.17 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.18 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 Income statement 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.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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.

Notes to the Financial Statements
For the Year Ended 31 March 2016

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

Preparation of financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include;

Stock
Certain factors could affect the realisable value of the company's stocks including customer demand and market conditions. The company considers usage, anticipated sales price, effect of new product introductions, product obsolescence and other factors when evaluating the value.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the financial year.

4. Turnover

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

Analysis of turnover by country of destination:

	2016	2015
	£	£
United Kingdom	**11,540,809**	12,932,879
Rest of the World	**333,159**	541,018
	11,873,968	13,473,897

5. Operating costs

	2016	2015
	£	£
Decrease in stock	**112,743**	26,169
Raw materials and consumables	**5,327,210**	6,791,244
Other external charges	**1,940,434**	1,980,603
Staff costs	**3,661,456**	4,292,332
Depreciation	**609,714**	685,514
	11,651,557	13,775,862

Notes to the Financial Statements
For the Year Ended 31 March 2016

6. Operating profit/(loss)

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

	2016	2015
	£	£
Depreciation of tangible fixed assets	609,174	685,514
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	14,050	13,500
- Taxation compliance services	2,300	2,260
- Other accounting assistance	1,250	-
Operating lease rentals - plant and machinery	44,745	41,425
Operating lease rentals - land and buildings	210,000	210,000

7. Employees

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

	2016	2015
	£	£
Wages and salaries	3,192,969	3,757,205
Social security costs	286,182	335,371
Cost of defined contribution pension scheme	182,304	199,756
	3,661,455	4,292,332

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

	2016	2015
	No.	No.
Production staff	101	123
Administrative staff	11	12
Management staff	12	12
	124	147

8. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	72,200	72,200
Company contributions to defined contribution pension schemes	4,332	4,332
	76,532	76,532

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Interest payable and similar charges

	2016	2015
	£	£
Invoice discounting interest	**25,239**	29,191
Finance leases and hire purchase contracts	**34,930**	43,725
	60,169	72,916

10. Taxation

	2016	2015
	£	£
Corporation tax		
Adjustments in respect of previous periods	**(1,264)**	(2,484)
Group taxation relief	**6,842**	(198,819)
Total current tax	5,578	(201,303)
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	5,578	(201,303)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016	2015
	£	£
Profit/(loss) on ordinary activities before tax	**162,242**	(374,881)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**32,448**	(78,725)
Effects of:		
Expenses not deductible for tax purposes	**152**	65
Adjustments to tax charge in respect of prior periods	**(1,264)**	(2,484)
Adjustment to group relief in respect of prior year	**6,842**	-
Movement in unprovided deferred tax asset	**(32,600)**	(120,159)
Total tax charge for the year	5,578	(201,303)

Notes to the Financial Statements

For the Year Ended 31 March 2016

10. Taxation (continued)

Factors that may affect future tax charges

An unprovided deferred tax asset of £149,406 (2015: £197,001) has not been recognised in the current year relating to carried forward trading losses of £506,929 (2015: £740,380), fixed asset timing differences of £217,823 (2015: £229,625) and short term timing differences of £22,280 (2015: £15,000), as recoverability is uncertain.

11. Tangible fixed assets

	L/Term Leasehold Property	Plant & machinery	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 April 2015	**824,296**	**10,567,232**	**176,132**	**11,567,660**
Additions	**9,220**	**537,539**	**8,485**	**555,244**
Transfers intra group	**-**	**(793,299)**	**-**	**(793,299)**
At 31 March 2016	**833,516**	**10,311,472**	**184,617**	**11,329,605**
Depreciation				
At 1 April 2015	**673,400**	**8,403,833**	**136,657**	**9,213,890**
Charge for the year	**85,852**	**508,024**	**15,298**	**609,174**
Transfers intra group	**-**	**(58,274)**	**-**	**(58,274)**
At 31 March 2016	**759,252**	**8,853,583**	**151,955**	**9,764,790**
Net book value				
At 31 March 2016	**74,264**	**1,457,889**	**32,662**	**1,564,815**
At 31 March 2015	150,896	2,163,399	39,475	2,353,770

Included within the net book value of £1,564,815 (2015: £2,353,770) is £329,557 (2015: £1,046,254) relating to assets held under finance lease. The depreciation charged in the year in respect of such assets totalled £107,890 (2015: £194,829)

Notes to the Financial Statements
For the Year Ended 31 March 2016

12. Stocks

	2016	2015
	£	£
Raw materials and consumables	**259,878**	149,146
Work in progress	**130,863**	359,966
Finished goods and goods for resale	**280,115**	274,487
	670,856	783,599

Stock recognised in cost of sales during the year as an expense was £3,271,532 (2015: £5,032,167)

An impairment loss of £45,286 (2015: £52,750) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

13. Debtors

	2016	2015
	£	£
Trade debtors	**1,502,745**	2,029,741
Amounts owed by group undertakings	**307,425**	285,246
Other debtors	**17,273**	28,477
Prepayments and accrued income	**102,819**	115,012
Amounts recoverable on long term contracts	**326,064**	417,732
	2,256,326	2,876,208

An impairment provision of £Nil has been recognised against trade debtors at the year end (2015: £Nil).

14. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	**42,710**	63,025
	42,710	63,025

Notes to the Financial Statements
For the Year Ended 31 March 2016

15. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Invoice discounting facility	**772,931**	1,348,274
Trade creditors	**1,307,359**	1,346,335
Amounts owed to group undertakings	**287,367**	538,175
Taxation and social security	**369,761**	314,258
Net obligations under finance leases	**117,828**	291,619
Other creditors	**168,615**	159,096
Accruals and deferred income	**46,788**	250,606
	3,070,649	4,248,363

The invoice discounting facility is secured by a fixed charge against the trade debtors to which it relates, and by a floating charge over all other assets of the company.

Finance leases are secured against the assets to which they relate.

16. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Net obligations under finance leases and hire purchase contracts	**12,201**	533,046
	12,201	533,046

17. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	**117,828**	291,619
Between 1-2 years	**12,201**	520,845
Between 2-5 years	**-**	12,201
	130,029	824,665

Notes to the Financial Statements

For the Year Ended 31 March 2016

18. Financial instruments

	2016	2015
	£	£
Financial assets		
Cash and cash equivalents	**42,710**	63,025
Financial assets measured at amortised cost	**1,827,443**	2,343,464
	1,870,153	2,406,489
Financial liabilities		
Financial liabilities measured at amortised cost	**(2,642,526)**	(4,216,545)
	(2,642,526)	(4,216,545)

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 amounts owed by group companies, other debtors and trade debtors.

Financial liabilities comprise amounts owed under the invoice discounting facility, net obligations under finance leases, amounts owed to group, trade creditors and other creditors.

19. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	2

20. Reserves

Profit & loss account

The profit and loss account contains current and prior period retained earnings net of dividends paid.

21. Pension commitments

The Company operates a defined contribution 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 £182,304 (2015: £199,756). Amounts totalling £23,968 (2015: £15,616) were payable to the fund at the year end.

22. Commitments under operating leases

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

	2016	2015
	£	£
Not later than 1 year	**32,512**	-
Later than 1 year and not later than 5 years	**38,140**	115,036
Total	**70,652**	115,036

	2016	2015
	£	£
Not later than 1 year	**210,000**	-
Later than 1 year and not later than 5 years	-	420,000
Total	**210,000**	420,000

23. Related party transactions

Grosvenor Murcott Limited is considered a related party by virtue of the fact that the directors of Grosvenor Murcott Limited are the fathers of some of the directors of JVM Castings (Tamworth) Limited.

Transactions in the current period are rent for the use of the property owned by Grosvenor Murcott Limited of £210,000 (2015: £210,000).

Included within other debtors at the year end are amounts due from Grosvenor Murcott Limited of £16,873 (2015: debtors £26,720).

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 section 33 "Related Party Transactions" not to disclose transactions with wholly owned group undertakings.

24. Controlling party

The company is a wholly owned subsidiary undertaking of JVM Castings Limited which is registered in England. The directors have confirmed that there is no overall controlling party for JVM Castings Limited.

Notes to the Financial Statements
For the Year Ended 31 March 2016

25. 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.