

COMPANY REGISTRATION NUMBER: 03081991

Warren Services Limited
Financial statements
31 December 2020



Warren Services Limited

Directors' responsibilities statement

Year ended 31 December 2020

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.

Warren Services Limited

Statement of financial position

31 December 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible assets	5		1,000,270	962,206
Current assets				
Stocks		943,331		589,034
Debtors	6	1,719,995		1,443,397
Cash at bank and in hand		199,110		28,171
		<u>2,862,436</u>		<u>2,060,602</u>
Creditors: Amounts falling due within one year	7	<u>(2,137,719)</u>		<u>(1,567,166)</u>
Net current assets			<u>724,717</u>	<u>493,436</u>
Total assets less current liabilities			<u>1,724,987</u>	<u>1,455,642</u>
Creditors: Amounts falling due after more than one year	8		(276,976)	(356,778)
Provisions				
Taxation including deferred tax			<u>(107,291)</u>	<u>(70,443)</u>
Net assets			<u>1,340,720</u>	<u>1,028,421</u>
Capital and reserves				
Called up share capital			1,000	1,000
Profit and loss account			<u>1,339,720</u>	<u>1,027,421</u>
Shareholders funds			<u>1,340,720</u>	<u>1,028,421</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 7.5.21, and are signed on behalf of the board by:


W R Bridgman
Director

Company registration number: 03081991

The notes on pages 3 to 7 form part of these financial statements.

Warren Services Limited

Notes to the financial statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Brickfields Way, Brickfields Way, Thetford, Norfolk, IP24 1HX.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

The financial statements have been prepared on a going concern basis. Along with many businesses in the country, the company has been affected by the impact of coronavirus and measures taken to combat this. However, as can be seen from the results for the year, the company has been able to adapt well and has continued to operate throughout the pandemic.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Stock impairments

The company establishes stock impairments based on reasonable judgements. The impairment is calculated and adjusted for on a quarterly basis. This impairment is based on management's experience and judgement whether a particular stock line is likely to be used in the future.

Revenue recognition

Turnover represents income received from the provision of engineering services and the manufacture of goods, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods.

Income tax

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Warren Services Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property improvements	-	20% straight line
Plant and machinery	-	10% - 33% straight line & 15% - 33% reducing balance
Fixtures and fittings	-	10% - 20% straight line
Motor vehicles	-	10% - 33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Warren Services Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Invoice discounting

The company has an invoice discounting agreement in place. It is considered that the risks and rewards of ownership are substantially transferred to the invoice discounting company at the point the sales invoice is raised. Therefore the amounts owed from customers have been derecognised, and a debtor recognised in relation to amounts owed from the invoice discounting company.

Defined contribution pension plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of employees during the year was 114 (2019: 108).

Warren Services Limited

Notes to the financial statements (continued)

Year ended 31 December 2020

5. Tangible assets

	Leasehold property improve- ments £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020	19,552	4,659,506	114,395	109,404	4,902,857
Additions	21,272	282,105	4,645	107,906	415,928
Disposals	–	(1,710)	–	(14,992)	(16,702)
At 31 December 2020	<u>40,824</u>	<u>4,939,901</u>	<u>119,040</u>	<u>202,318</u>	<u>5,302,083</u>
Depreciation					
At 1 January 2020	10,919	3,772,634	92,847	64,251	3,940,651
Charge for the year	4,129	325,167	11,337	36,838	377,471
Disposals	–	(1,710)	–	(14,599)	(16,309)
At 31 December 2020	<u>15,048</u>	<u>4,096,091</u>	<u>104,184</u>	<u>86,490</u>	<u>4,301,813</u>
Carrying amount					
At 31 December 2020	<u>25,776</u>	<u>843,810</u>	<u>14,856</u>	<u>115,828</u>	<u>1,000,270</u>
At 31 December 2019	<u>8,633</u>	<u>886,872</u>	<u>21,548</u>	<u>45,153</u>	<u>962,206</u>

6. Debtors

	2020 £	2019 £
Invoice discounting debtor	1,424,088	1,227,770
Amounts owed by group undertakings	37,629	33,494
Prepayments and accrued income	202,099	162,175
Corporation tax repayable	55,090	19,101
Other debtors	1,089	857
	<u>1,719,995</u>	<u>1,443,397</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,202,318	998,533
Accruals and deferred income	251,919	139,357
Social security and other taxes	519,342	247,266
Obligations under finance leases and hire purchase contracts	163,706	181,569
Other creditors	434	441
	<u>2,137,719</u>	<u>1,567,166</u>

Included in creditors are hire purchase liabilities of £163,706 (2019: £181,569) which are secured by charges over assets held by the company.

Warren Services Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2020

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

	2020	2019
	£	£
Accruals and deferred income	35,962	34,801
Obligations under finance leases and hire purchase contracts	<u>241,014</u>	<u>321,977</u>
	<u>276,976</u>	<u>356,778</u>

Included in creditors are hire purchase liabilities of £241,014 (2019: £321,977) which are secured by charges over assets held by the company.

9. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2020	2019
	£	£
Tangible assets	<u>132,000</u>	<u>-</u>

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	<u>-</u>	<u>6,908</u>

11. Summary audit opinion

The auditor's report for the year dated 9 June 2021 was unqualified.

The senior statutory auditor was Neil Orford FCA CF, for and on behalf of Lovewell Blake LLP.