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Registered number
05334073

Wefco (Gainsborough) Limited

Report and Financial Statements

30 September 2021



Wefco (Gainsborough) Limited
Company Information

Directors

J P Nock (Resigned 16/06/2021)
P A Cook
J A Jenkinson
G Black
D M Anderson

Secretary

P M Barron

Auditors

Hemming Vincent LLP
Chartered Accountants
31 Abbey Road
Grimsby
North East Lincolnshire
DN32 0HQ

Bankers

Barclays Bank Plc
81 High Street
Scunthorpe
North Lincolnshire
DN15 6LZ

Registered office

Britannia Works
Station Approach
Gainsborough
Lincolnshire
DN21 2AU

Registered number

05334073

Wefco (Gainsborough) Limited

Registered number: 05334073

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2021.

Principal activities

The company's principal activity during the year continued to be that of manufacturers and contractors to the construction, petro-chem and energy related industries.

Directors

The following persons served as directors during the year:

J P Nock (Resigned 16/06/2021)
P A Cook
J A Jenkinson
G Black
D M Anderson

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 15 June 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D M Anderson', followed by a long horizontal line extending to the right.

D M Anderson
Director

Wefco (Gainsborough) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Wefco (Gainsborough) Limited

Strategic Report

The directors present their strategic report for Wefco (Gainsborough) Limited for the year ended 30 September 2021.

Business review and results

The results for the year and the financial position of the company are shown in these financial statements.

The directors are very pleased to report another resilient performance and strong year's trading against the continued backdrop of an unprecedented worldwide environment resulting from Covid19 and the uncertainty of Brexit.

Despite availability and prices of materials causing large challenges, we successfully minimised supply chain issues, and proved again to be a reliable source for our customers.

Turnover and pre-tax profits show an increase vs the prior year, demonstrating strength and stability whilst maintaining the growth strategy.

Investments and improvements continued to our facilities, our equipment, our processes and our people to strengthen our core services and further expand our portfolio of products.

Principal risks and uncertainties

The company considers its exposure to risks on an ongoing basis and puts in place policies and procedures to mitigate these risks. The key risks are summarised below:

Liquidity and cashflow risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities. The company finances its investment in tangible fixed assets primarily through hire purchase contracts and loan arrangements. The maturity of these obligations is shown in the financial statements.

Interest rate risk

The company finances its operations through a combination of retained profits, finance lease contracts, loan and overdraft facilities. The company manages its exposure to interest rate fluctuations on its finance leases by entering into fixed rate agreements.

Credit risk

The company's principle credit risk which arises predominantly from its trade debtors is monitored closely through diligent credit checking procedures and reviewing debt ageing and collection history in order to mitigate credit risk exposure.

Wefco (Gainsborough) Limited Strategic Report

Future developments

New opportunities will continue to arise as cleaner energies and synthetic fuels develop. Wefco will continue to react and fulfill these customer and industry needs.

The company will continue to grow its customer base and develop its operational platform whilst increasing profitability and enhancing its market share in line with long term business plans.

Additional facilities are under review to complement our growth plans. These facilities will solve restrictions in our current capacities and provide opportunities for expansion of core business and new adjacencies.

This report was approved by the board on 15 June 2022 and signed by its order.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line extending to the right.

D M Anderson
Director

Wefco (Gainsborough) Limited
Independent auditor's report
to the members of Wefco (Gainsborough) Limited

Opinion

We have audited the financial statements of Wefco (Gainsborough) Limited for the year ended 30 September 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- obtaining and reviewing the company's cashflow forecasts for the going concern period, challenging management's assumptions used and verifying it is consistent with our existing knowledge and understanding of the business; and
- testing the model for mathematical accuracy.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Wefco (Gainsborough) Limited
Independent auditor's report
to the members of Wefco (Gainsborough) Limited

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Wefco (Gainsborough) Limited
Independent auditor's report
to the members of Wefco (Gainsborough) Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, such as work in progress and sales accruals on long term contracts;
- assessing key areas of estimation such as the calculations for sales accruals on long term contracts.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Wefco (Gainsborough) Limited
Independent auditor's report
to the members of Wefco (Gainsborough) Limited

A further description of our responsibilities for the audit of the accounts is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Adrian Parker FCA
(Senior Statutory Auditor)
for and on behalf of
Hemming Vincent LLP
Chartered Accountants and Statutory Auditors

31 Abbey Road
Grimsby
North East Lincolnshire
DN32 0HQ

15 June 2022

Wefco (Gainsborough) Limited
Income Statement
for the year ended 30 September 2021

	Notes	2021 £	2020 £
Turnover	3	11,376,886	7,897,931
Cost of sales		(8,342,801)	(5,875,296)
Gross profit		<u>3,034,085</u>	<u>2,022,635</u>
Administrative expenses		(2,366,897)	(1,918,778)
Operating profit	4	<u>667,188</u>	<u>103,857</u>
(Loss)/profit on sale of fixed assets		(203)	10,015
Interest receivable		3	-
Interest payable	7	(10,812)	(7,724)
Profit on ordinary activities before taxation		<u>656,176</u>	<u>106,148</u>
Tax on profit on ordinary activities	8	(170,816)	(20,359)
Profit for the financial year		<u>485,360</u>	<u>85,789</u>

Wefco (Gainsborough) Limited
Statement of Comprehensive Income
for the year ended 30 September 2021

	Notes	2021 £	2020 £
Profit for the financial year		485,360	85,789
Other comprehensive income		-	-
Total comprehensive income for the year		<u>485,360</u>	<u>85,789</u>

Wefco (Gainsborough) Limited
Statement of Financial Position
as at 30 September 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,217,428	1,179,714
Current assets			
Stocks	10	947,780	772,369
Debtors	11	3,346,621	2,364,755
Cash at bank and in hand		352,700	176,142
		<u>4,647,101</u>	<u>3,313,266</u>
Creditors: amounts falling due within one year	12	(3,684,544)	(2,762,163)
Net current assets		<u>962,557</u>	<u>551,103</u>
Total assets less current liabilities		<u>2,179,985</u>	<u>1,730,817</u>
Creditors: amounts falling due after more than one year	13	(323,689)	(406,810)
Provisions for liabilities			
Deferred taxation	16	(201,843)	(67,514)
Net assets		<u>1,654,453</u>	<u>1,256,493</u>
Capital and reserves			
Called up share capital	17	381,000	400,000
Capital redemption reserve	18	19,000	-
Profit and loss account	19	1,254,453	856,493
Total equity		<u>1,654,453</u>	<u>1,256,493</u>



D M Anderson
Director

Approved by the board on 15 June 2022

Wefco (Gainsborough) Limited
Statement of Changes in Equity
for the year ended 30 September 2021

	Share capital £	Redemption reserve £	Profit and loss account £	Total £
At 1 October 2019	400,000	-	770,704	1,170,704
Profit for the financial year	-	-	85,789	85,789
At 30 September 2020	<u>400,000</u>	<u>-</u>	<u>856,493</u>	<u>1,256,493</u>
At 1 October 2020	400,000	-	856,493	1,256,493
Profit for the financial year	-	-	485,360	485,360
Purchase of own shares transfer	-	-	(87,400)	(87,400)
Shares redeemed	(19,000)	19,000	-	-
At 30 September 2021	<u>381,000</u>	<u>19,000</u>	<u>1,254,453</u>	<u>1,654,453</u>

Wefco (Gainsborough) Limited
Statement of Cash Flows
for the year ended 30 September 2021

	Notes	2021 £	2020 £
Operating activities			
Profit for the financial year		485,360	85,789
Adjustments for:			
Loss/(profit) on sale of fixed assets		203	(10,015)
Interest receivable		(3)	-
Interest payable		10,812	7,724
Tax on profit on ordinary activities		170,816	20,359
Depreciation		204,376	141,968
Increase in stocks		(175,411)	(200,335)
(Increase)/decrease in debtors		(981,866)	315,265
Increase/(decrease) in creditors		902,770	(84,237)
		<u>617,057</u>	<u>276,518</u>
Interest received		3	-
Interest paid		(10,812)	(7,724)
Corporation tax paid		(36,487)	(28,226)
Cash generated by operating activities		<u>569,761</u>	<u>240,568</u>
Investing activities			
Payments to acquire tangible fixed assets		(165,569)	(629,525)
Proceeds from sale of tangible fixed assets		9,047	18,290
Cash used in investing activities		<u>(156,522)</u>	<u>(611,235)</u>
Financing activities			
Equity dividends paid		-	(60,000)
Payments to redeem shares		(87,400)	-
Repayment of loans		(50,000)	250,000
Capital element of finance lease payments		(99,529)	244,452
Cash (used in)/generated by financing activities		<u>(236,929)</u>	<u>434,452</u>
Net cash generated			
Cash generated by operating activities		569,761	240,568
Cash used in investing activities		(156,522)	(611,235)
Cash (used in)/generated by financing activities		(236,929)	434,452
Net cash generated		<u>176,310</u>	<u>63,785</u>
Cash and cash equivalents at 1 October		<u>176,142</u>	<u>112,357</u>
Cash and cash equivalents at 30 September		<u>352,452</u>	<u>176,142</u>
Cash and cash equivalents comprise:			
Cash at bank		352,700	176,142
Bank overdrafts	12	(248)	-
		<u>352,452</u>	<u>176,142</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant, machinery and fixtures	10%, 20% and 33% straight line
Motor vehicles	20% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions in applying the company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

3 Analysis of turnover	2021	2020
	£	£
Sale of goods	<u>11,376,886</u>	<u>7,897,931</u>
By geographical market:		
UK	10,384,961	6,624,204
Europe	350,275	305,063
Rest of world	<u>641,650</u>	<u>968,664</u>
	<u>11,376,886</u>	<u>7,897,931</u>
4 Operating profit	2021	2020
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	167,774	131,839
Depreciation of assets held under finance leases and hire purchase contracts	36,602	10,129
Operating lease rentals - land and buildings	151,367	146,975
Auditors' remuneration for audit services	29,500	19,295
Carrying amount of stock sold	<u>6,444,492</u>	<u>4,487,130</u>
5 Directors' emoluments	2021	2020
	£	£
Emoluments	<u>367,360</u>	<u>377,743</u>
Highest paid director:		
Emoluments	<u>101,623</u>	<u>94,131</u>
6 Staff costs	2021	2020
	£	£
Wages and salaries	3,048,063	2,322,389
Social security costs	306,633	242,430
Other pension costs	<u>86,796</u>	<u>70,860</u>
	<u>3,441,492</u>	<u>2,635,679</u>
Average number of employees during the year	Number	Number
Administration	19	19
Manufacturing	66	58
Sales	<u>5</u>	<u>5</u>
	<u>90</u>	<u>82</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

7 Interest payable	2021	2020
	£	£
Bank loans and overdrafts	<u>10,812</u>	<u>7,724</u>
8 Taxation	2021	2020
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	36,487	-
Deferred tax:		
Origination and reversal of timing differences	134,329	20,359
	<u>170,816</u>	<u>20,359</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>656,176</u>	<u>106,148</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	124,673	20,168
Effects of:		
Capital allowances for period in excess of depreciation	(88,186)	(20,168)
Current tax charge for period	<u>36,487</u>	<u>-</u>

Factors that may affect future tax charges

There are no factors affecting future tax charges.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

9 Tangible fixed assets

	Motor vehicles At cost £	Plant, machinery and fixtures At cost £	Total £
Cost or valuation			
At 1 October 2020	59,683	2,616,118	2,675,801
Additions	31,130	220,210	251,340
Disposals	-	(18,851)	(18,851)
At 30 September 2021	<u>90,813</u>	<u>2,817,477</u>	<u>2,908,290</u>
Depreciation			
At 1 October 2020	38,534	1,457,553	1,496,087
Charge for the year	11,773	192,603	204,376
On disposals	-	(9,601)	(9,601)
At 30 September 2021	<u>50,307</u>	<u>1,640,555</u>	<u>1,690,862</u>
Carrying amount			
At 30 September 2021	<u>40,506</u>	<u>1,176,922</u>	<u>1,217,428</u>
At 30 September 2020	<u>21,149</u>	<u>1,158,565</u>	<u>1,179,714</u>

	2021 £	2020 £
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>336,581</u>	<u>334,877</u>

10 Stocks

	2021 £	2020 £
Raw materials and consumables	768,674	486,478
Work in progress	179,106	285,891
	<u>947,780</u>	<u>772,369</u>

11 Debtors

	2021 £	2020 £
Trade debtors	2,385,578	1,490,400
Recoverable contract balances	890,121	778,345
Other debtors	70,922	96,010
	<u>3,346,621</u>	<u>2,364,755</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2021

12 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank overdrafts	248	-
Bank loans	50,000	50,000
Obligations under finance lease and hire purchase contracts	100,021	80,658
Trade creditors	1,989,621	1,383,995
Payments on account	765,207	729,353
Other taxes and social security costs	330,073	343,984
Other creditors	449,374	174,173
	<u>3,684,544</u>	<u>2,762,163</u>

13 Creditors: amounts falling due after one year	2021	2020
	£	£
Bank loans	150,000	200,000
Obligations under finance lease and hire purchase contracts	173,689	206,810
	<u>323,689</u>	<u>406,810</u>

14 Loans	2021	2020
	£	£
Analysis of maturity of debt:		
Within one year or on demand	50,248	50,000
Between one and two years	50,000	50,000
Between two and five years	100,000	150,000
	<u>200,248</u>	<u>250,000</u>

The bank overdraft is currently secured by personal guarantees by the directors and chattel mortgages.

15 Obligations under finance leases and hire purchase contracts	2021	2020
	£	£
Amounts payable:		
Within one year	100,021	80,658
Within two to five years	173,689	206,810
	<u>273,710</u>	<u>287,468</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
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16 Deferred taxation	2021 £	2020 £
Accelerated capital allowances	<u>201,843</u>	<u>67,514</u>
	2021 £	2020 £
At 1 October	67,514	47,155
Charged to the profit and loss account	134,329	20,359
At 30 September	<u>201,843</u>	<u>67,514</u>

17 Share capital	Nominal value	2021 Number	2021 £	2020 £
Allotted, called up and fully paid: Ordinary shares	£1 each	381,000	<u>381,000</u>	<u>400,000</u>

18 Capital redemption reserve	2021 £	2020 £
Transfer from the profit and loss account	19,000	-
At 30 September	<u>19,000</u>	<u>-</u>

19 Profit and loss account	2021 £	2020 £
At 1 October	856,493	770,704
Profit for the financial year	485,360	85,789
Purchase of own share transfer	(87,400)	-
At 30 September	<u>1,254,453</u>	<u>856,493</u>

20 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2021 £	Land and buildings 2020 £	Other 2021 £	Other 2020 £
Falling due: within one year	<u>151,367</u>	<u>146,974</u>	<u>-</u>	<u>-</u>

There are no operating lease incentives.

Wefco (Gainsborough) Limited
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21 Related party transactions

During the year dividends were paid to shareholding directors of £Nil (2020: £Nil).

22 Controlling party

The company is wholly controlled by the directors.

23 Presentation currency

The financial statements are presented in Sterling.

24 Legal form of entity and country of incorporation

Wefco (Gainsborough) Limited is a private company limited by shares and incorporated in England.

25 Principal place of business

The address of the company's principal place of business and registered office is:

Britannia Works
Station Approach
Gainsborough
Lincolnshire
DN21 2AU