

Registered number
05334073

Wefco (Gainsborough) Limited

Report and Financial Statements

30 September 2022



Wefco (Gainsborough) Limited Company Information

Directors

P A Cook
J A Jenkinson
G Black
D M Anderson

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 2022.

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:

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 26 June 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D M Anderson', with 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 2022.

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 backdrop of global economic uncertainty resulting from the Ukrainian war, the after-effects of Covid-19 and the consequences of Brexit.

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

We have reacted to the opportunities identified and successfully maintained our growth plans, hitting key milestones during the year.

Additional facilities have been acquired adding further manufacturing capacity and enhanced storage facilities. In turn, we have further reduced our subcontractors, enhanced in house control and provided increased flexibility for our customers.

Furthermore, we have successfully acquired the tradename of Cookson & Zinn; combining the rich history and expertise of both Companies to expand, strengthen and provide longevity to the diverse portfolio of products and markets served.

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

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 is attributable to its trade debtors. This 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

The directors present their strategic report for Wefco (Gainsborough) Limited for the year ended 30 September 2022.

Future developments

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.

As cleaner energies emerge and develop, the engineering industry is poised for growth. We have committed to and have all resource in place to stay at the forefront of industry needs and trends and serve these markets as a reliable chosen partner.

We will continue to prioritise customer satisfaction by understanding these evolving needs, deliver tailored solutions and provide exceptional service throughout the project lifecycle.

We remain committed to the investments and improvements to our facilities, our equipment, our processes and our people and will continue to strengthen our core services. We will continue to further expand our portfolio of products and ensure we that we stay at the forefront of industry advancements.

This report was approved by the board on 26 June 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D M Anderson', with a long 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 2022 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 Financial Reporting Standard 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 2022 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.

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
- 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.

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.

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

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

26 June 2023

Wefco (Gainsborough) Limited
Income Statement
for the year ended 30 September 2022

	Notes	2022 £	2021 £
Turnover	3	11,950,839	11,376,886
Cost of sales		(8,618,577)	(8,342,801)
Gross profit		<u>3,332,262</u>	<u>3,034,085</u>
Administrative expenses		(2,503,614)	(2,366,897)
Operating profit	4	<u>828,648</u>	<u>667,188</u>
Profit/(loss) on sale of fixed assets		15,298	(203)
Interest receivable		742	3
Interest payable	7	(21,189)	(10,812)
Profit on ordinary activities before taxation		<u>823,499</u>	<u>656,176</u>
Tax on profit on ordinary activities	8	(159,709)	(170,816)
Profit for the financial year		<u>663,790</u>	<u>485,360</u>

Wefco (Gainsborough) Limited
Statement of Comprehensive Income
for the year ended 30 September 2022

	Notes	2022 £	2021 £
Profit for the financial year		663,790	485,360
Other comprehensive income			
Total comprehensive income for the year		<u>663,790</u>	<u>485,360</u>

Wefco (Gainsborough) Limited
Statement of Financial Position
as at 30 September 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	10	2,423,609	1,217,428
Current assets			
Stocks	11	1,179,072	947,780
Debtors	12	3,096,069	3,346,621
Cash at bank and in hand		429,100	352,700
		<u>4,704,241</u>	<u>4,647,101</u>
Creditors: amounts falling due within one year	13	(4,480,798)	(3,684,544)
Net current assets		<u>223,443</u>	<u>962,557</u>
Total assets less current liabilities		<u>2,647,052</u>	<u>2,179,985</u>
Creditors: amounts falling due after more than one year	14	(579,030)	(323,689)
Provisions for liabilities			
Deferred taxation	17	(318,779)	(201,843)
Net assets		<u>1,749,243</u>	<u>1,654,453</u>
Capital and reserves			
Called up share capital	18	366,000	381,000
Other reserves	19	34,000	19,000
Profit and loss account	20	1,349,243	1,254,453
Total equity		<u>1,749,243</u>	<u>1,654,453</u>



D M Anderson
Director

Approved by the board on 26 June 2023

Wefco (Gainsborough) Limited
Statement of Changes in Equity
for the year ended 30 September 2022

	Share capital £	Redemption reserve £	Profit and loss account £	Total £
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>
At 1 October 2021	381,000	19,000	1,254,453	1,654,453
Profit for the financial year	-	-	663,790	663,790
Dividends	-	-	(500,000)	(500,000)
Purchase of own shares transfer	-	-	(69,000)	(69,000)
Shares redeemed	(15,000)	15,000	-	-
At 30 September 2022	<u>366,000</u>	<u>34,000</u>	<u>1,349,243</u>	<u>1,749,243</u>

Wefco (Gainsborough) Limited
Statement of Cash Flows
for the year ended 30 September 2022

	Notes	2022 £	2021 £
Operating activities			
Profit for the financial year		663,790	485,360
Adjustments for:			
(Profit)/loss on sale of fixed assets		(15,298)	203
Interest receivable		(742)	(3)
Interest payable		21,189	10,812
Tax on profit on ordinary activities		159,709	170,816
Depreciation		229,789	204,376
Amortisation of goodwill		6	-
Increase in stocks		(231,292)	(175,411)
Decrease/(increase) in debtors		250,552	(981,866)
Increase in creditors		412,709	902,770
		<u>1,490,412</u>	<u>617,057</u>
Interest received		742	3
Interest paid		(21,189)	(10,812)
Corporation tax paid		(42,773)	(36,487)
Cash generated by operating activities		<u>1,427,192</u>	<u>569,761</u>
Investing activities			
Payments to acquire intangible fixed assets		(6)	-
Payments to acquire tangible fixed assets		(1,413,890)	(165,569)
Proceeds from sale of tangible fixed assets		37,318	9,047
Cash used in investing activities		<u>(1,376,578)</u>	<u>(156,522)</u>
Financing activities			
Equity dividends paid		(500,000)	-
Payments to redeem shares		(69,000)	(87,400)
Proceeds from new loans		402,500	-
Repayment of loans		(56,703)	(50,000)
Capital element of finance lease payments		(108,059)	(99,529)
Cash used in financing activities		<u>(331,262)</u>	<u>(236,929)</u>
Net cash (used)/generated			
Cash generated by operating activities		1,427,192	569,761
Cash used in investing activities		(1,376,578)	(156,522)
Cash used in financing activities		(331,262)	(236,929)
Net cash (used)/generated		<u>(280,648)</u>	<u>176,310</u>
Cash and cash equivalents at 1 October		<u>352,452</u>	<u>176,142</u>
Cash and cash equivalents at 30 September		<u>71,804</u>	<u>352,452</u>
Cash and cash equivalents comprise:			
Cash at bank		429,100	352,700
Bank overdrafts	13	(357,296)	(248)
		<u>71,804</u>	<u>352,452</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

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.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

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 2022

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.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

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.

3 Analysis of turnover

	2022 £	2021 £
Sale of goods	<u>11,950,839</u>	<u>11,376,886</u>
By geographical market:		
UK	11,159,839	10,384,961
Europe	253,000	350,275
Rest of world	<u>538,000</u>	<u>641,650</u>
	<u>11,950,839</u>	<u>11,376,886</u>

4 Operating profit

	2022 £	2021 £
This is stated after charging:		
Depreciation of owned fixed assets	157,879	167,774
Depreciation of assets held under finance leases and hire purchase contracts	71,910	36,602
Amortisation of goodwill	6	-
Operating lease rentals - land and buildings	155,908	151,367
Auditors' remuneration for audit services	29,500	29,500
Carrying amount of stock sold	<u>6,711,221</u>	<u>6,444,492</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

5 Directors' emoluments	2022	2021
	£	£
Emoluments	<u>565,732</u>	<u>367,360</u>
Highest paid director: Emoluments	<u>171,638</u>	<u>101,623</u>
6 Staff costs	2022	2021
	£	£
Wages and salaries	3,012,651	3,048,063
Social security costs	307,901	306,633
Other pension costs	83,552	86,796
	<u>3,404,104</u>	<u>3,441,492</u>
Average number of employees during the year	Number	Number
Administration	22	19
Manufacturing	69	66
Sales	4	5
	<u>95</u>	<u>90</u>
7 Interest payable	2022	2021
	£	£
Bank loans and overdrafts	<u>21,189</u>	<u>10,812</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

8 Taxation	2022	2021
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	42,773	36,487
Deferred tax:		
Origination and reversal of timing differences	116,936	134,329
Tax on profit on ordinary activities	<u>159,709</u>	<u>170,816</u>

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:

	2022	2021
	£	£
Profit on ordinary activities before tax	<u>823,499</u>	<u>656,176</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	156,465	124,673
Effects of:		
Capital allowances for period in excess of depreciation	(113,692)	(88,186)
Current tax charge for period	<u>42,773</u>	<u>36,487</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 2022

9 Intangible fixed assets	£
Goodwill:	
Cost	
Additions	6
At 30 September 2022	<u>6</u>
Amortisation	
Provided during the year	6
At 30 September 2022	<u>6</u>
Carrying amount	
At 30 September 2022	<u>-</u>

Goodwill has been fully written off in the year.

10 Tangible fixed assets

	Freehold Land and buildings	Motor vehicles	Plant, machinery and fixtures	Total
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
Cost or valuation				
At 1 October 2021	-	90,813	2,817,477	2,908,290
Additions	629,539	18,000	810,451	1,457,990
Disposals	-	(37,998)	(17,367)	(55,365)
At 30 September 2022	<u>629,539</u>	<u>70,815</u>	<u>3,610,561</u>	<u>4,310,915</u>
Depreciation				
At 1 October 2021	-	50,307	1,640,555	1,690,862
Charge for the year	4,378	10,596	214,815	229,789
On disposals	-	(30,399)	(2,946)	(33,345)
At 30 September 2022	<u>4,378</u>	<u>30,504</u>	<u>1,852,424</u>	<u>1,887,306</u>
Carrying amount				
At 30 September 2022	<u>625,161</u>	<u>40,311</u>	<u>1,758,137</u>	<u>2,423,609</u>
At 30 September 2021	<u>-</u>	<u>40,506</u>	<u>1,176,922</u>	<u>1,217,428</u>

	2022	2021
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>315,716</u>	<u>336,581</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

11 Stocks	2022	2021
	£	£
Raw materials and consumables	950,342	768,674
Work in progress	228,730	179,106
	<u>1,179,072</u>	<u>947,780</u>

12 Debtors	2022	2021
	£	£
Trade debtors	2,434,021	2,385,578
Recoverable contract balances	543,963	890,121
Other debtors	118,085	70,922
	<u>3,096,069</u>	<u>3,346,621</u>

13 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank overdrafts	357,296	248
Bank loans	66,284	50,000
Obligations under finance lease and hire purchase contracts	110,234	100,021
Trade creditors	1,572,108	1,989,621
Payments on account	1,525,290	765,207
Other taxes and social security costs	389,691	330,073
Other creditors	459,895	449,374
	<u>4,480,798</u>	<u>3,684,544</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

14 Creditors: amounts falling due after one year	2022 £	2021 £
Bank loans	479,513	150,000
Obligations under finance lease and hire purchase contracts	99,517	173,689
	<u>579,030</u>	<u>323,689</u>

15 Loans	2022 £	2021 £
Analysis of maturity of debt:		
Within one year or on demand	423,580	50,248
Between one and two years	67,410	50,000
Between two and five years	412,103	100,000
	<u>903,093</u>	<u>200,248</u>

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

16 Obligations under finance leases and hire purchase contracts	2022 £	2021 £
Amounts payable:		
Within one year	110,234	100,021
Within two to five years	99,517	173,689
	<u>209,751</u>	<u>273,710</u>

17 Deferred taxation	2022 £	2021 £
Accelerated capital allowances	<u>318,779</u>	<u>201,843</u>

	2022 £	2021 £
At 1 October	201,843	67,514
Charged to the profit and loss account	116,936	134,329
At 30 September	<u>318,779</u>	<u>201,843</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
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18 Share capital	Nominal value	2022 Number	2022 £	2021 £
Alotted, called up and fully paid: Ordinary shares	£1 each	381,000	<u>366,000</u>	<u>381,000</u>

19 Capital redemption reserve	2022 £	2021 £
At 1 October	19,000	-
Transfer from the profit and loss account	15,000	19,000
At 30 September	<u>34,000</u>	<u>19,000</u>

20 Profit and loss account	2022 £	2021 £
At 1 October	1,254,453	856,493
Profit for the financial year	663,790	485,360
Purchase of own share transfer	(69,000)	(87,400)
Dividends	(500,000)	-
At 30 September	<u>1,349,243</u>	<u>1,254,453</u>

21 Dividends	2022 £	2021 £
Dividends on ordinary shares (note 20)	<u>500,000</u>	<u>-</u>

22 Other financial commitments

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

	Land and buildings 2022 £	Land and buildings 2021 £	Other 2022 £	Other 2021 £
Falling due: within one year	<u>155,908</u>	<u>151,367</u>	<u>-</u>	<u>-</u>

There are no operating lease incentives.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2022

23 Related party transactions

During the year dividends were paid to shareholding directors of £64,500 (2021: £Nil).

24 Controlling party

The company is wholly controlled by the directors.

25 Presentation currency

The financial statements are presented in Sterling.

26 Legal form of entity and country of incorporation

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

27 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