

Registered number
05334073

Wefco (Gainsborough) Limited

Report and Accounts

30 September 2020



Wefco (Gainsborough) Limited
Report and accounts
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**Wefco (Gainsborough) Limited
Company Information**

Directors

J P Nock
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

Solicitors

HSR Law
Law Chambers
7 South Parade
Doncaster
South Yorkshire
DN1 2DY

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 accounts for the year ended 30 September 2020.

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
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.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 13 May 2021 and signed on its behalf.



D M Anderson
Director

Wefco (Gainsborough) Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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 2020.

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 delighted to report a resilient performance and excellent year's trading against a backdrop of an unprecedented worldwide environment resulting from Covid19 and the uncertainty of Brexit.

Pre-tax profits show a steady increase versus the prior year, demonstrating strength and stability whilst maintaining the growth strategy.

Operating during a global pandemic, motivation and focus was maintained to plan new ways to navigate through the situation, make continuous improvements and to ensure all the right measures were in place to operate safely and effectively.

Even in the middle of this pandemic, we continued to support major contracts and continued to look to the future. Heavy investments and improvements were made 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 (Gainsborough) Limited 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.

This report was approved by the board on 13 May 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D M Anderson', with a long horizontal flourish 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 accounts of Wefco (Gainsborough) Limited for the year ended 30 September 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the accounts, 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 accounts:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 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 accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, 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.

In accordance with the exemption provided by FRC's Ethical Standard - Provisions Available for Audits of Small Entities, we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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 accounts and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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 directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has 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 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 accounts 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; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

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

13 May 2021

Wefco (Gainsborough) Limited
Profit and Loss Account
for the year ended 30 September 2020

	2020	2019
	£	£
Turnover	7,897,931	8,647,050
Cost of sales	(6,051,977)	(6,898,955)
Gross profit	<u>1,845,954</u>	<u>1,748,095</u>
Administrative expenses	(1,742,097)	(1,645,894)
Operating profit	<u>103,857</u>	<u>102,201</u>
Profit on the disposal of tangible fixed assets	10,015	72
Interest receivable	-	24
Interest payable	(7,724)	(11,467)
Profit before taxation	<u>106,148</u>	<u>90,830</u>
Tax on profit	(20,359)	(29,251)
Profit for the financial year	<u><u>85,789</u></u>	<u><u>61,579</u></u>

Wefco (Gainsborough) Limited**Registered number:**

05334073

Balance Sheet**as at 30 September 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	4	1,179,714	700,432
Current assets			
Stocks		772,369	572,034
Debtors	5	2,364,755	2,680,020
Cash at bank and in hand		176,142	264,523
		<u>3,313,266</u>	<u>3,516,577</u>
Creditors: amounts falling due within one year	6	(2,762,163)	(2,991,092)
Net current assets		<u>551,103</u>	<u>525,485</u>
Total assets less current liabilities		<u>1,730,817</u>	<u>1,225,917</u>
Creditors: amounts falling due after more than one year	7	(406,810)	(8,058)
Provisions for liabilities		(67,514)	(47,155)
Net assets		<u>1,256,493</u>	<u>1,170,704</u>
Capital and reserves			
Called up share capital		400,000	400,000
Profit and loss account		856,493	770,704
Shareholders' funds		<u>1,256,493</u>	<u>1,170,704</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime.



D M Anderson
Director

Approved by the board on 13 May 2021

Wefco (Gainsborough) Limited
Statement of Changes in Equity
for the year ended 30 September 2020

	Share capital £	Profit and loss account £	Total £
At 1 October 2018	400,000	769,125	1,169,125
Profit for the financial year	-	61,579	61,579
Dividends		(60,000)	(60,000)
At 30 September 2019	<u>400,000</u>	<u>770,704</u>	<u>1,170,704</u>
 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>856,493</u>	 <u>1,256,493</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2020

1 Accounting policies

Basis of preparation

The accounts 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 (as applied to small entities by section 1A of the standard).

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 2020

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 Audit information

The audit report is unqualified.

Senior statutory auditor:	Adrian Parker FCA
Firm:	Hemming Vincent LLP
Date of audit report:	13 May 2021

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2020

3 Employees	2020 Number	2019 Number
Average number of persons employed by the company	<u>82</u>	<u>88</u>

4 Tangible fixed assets

	Plant, machinery and fixtures £	Motor vehicles £	Total £
Cost			
At 1 October 2019	1,989,533	90,722	2,080,255
Additions	629,525	-	629,525
Disposals	<u>(2,940)</u>	<u>(31,039)</u>	<u>(33,979)</u>
At 30 September 2020	<u>2,616,118</u>	<u>59,683</u>	<u>2,675,801</u>
Depreciation			
At 1 October 2019	1,329,559	50,264	1,379,823
Charge for the year	129,384	12,584	141,968
On disposals	<u>(1,390)</u>	<u>(24,314)</u>	<u>(25,704)</u>
At 30 September 2020	<u>1,457,553</u>	<u>38,534</u>	<u>1,496,087</u>
Net book value			
At 30 September 2020	<u>1,158,565</u>	<u>21,149</u>	<u>1,179,714</u>
At 30 September 2019	<u>659,974</u>	<u>40,458</u>	<u>700,432</u>

5 Debtors	2020 £	2019 £
Trade debtors	1,490,400	2,146,342
Recoverable contract balances	778,345	454,851
Other debtors	<u>96,010</u>	<u>78,827</u>
	<u>2,364,755</u>	<u>2,680,020</u>

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2020

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	50,000	152,166
Obligations under finance lease and hire purchase contracts	80,658	34,958
Trade creditors	1,383,995	1,406,273
Payments on account	729,353	905,843
Taxation and social security costs	343,984	293,175
Other creditors	174,173	198,677
	<u>2,762,163</u>	<u>2,991,092</u>

7 Creditors: amounts falling due after one year	2020	2019
	£	£
Bank loans	200,000	-
Obligations under finance lease and hire purchase contracts	206,810	8,058
	<u>406,810</u>	<u>8,058</u>

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

8 Other financial commitments	2020	2019
	£	£
Total future minimum payments under non-cancellable operating leases	<u>146,974</u>	<u>145,450</u>

There are no operating lease incentives.

9 Related party transactions

During the year dividends were paid to shareholding directors of £Nil (2019: £14,475).

10 Controlling party

The company is wholly controlled by the directors.

Wefco (Gainsborough) Limited
Notes to the Accounts
for the year ended 30 September 2020

11 Other information

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

Britannia Works
Station Approach
Gainsborough
Lincolnshire
DN21 2AU