

Company Registration No. 00029196 (England and Wales)

THE WINGHAM ENGINEERING COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

PAGES FOR FILING WITH REGISTRAR

THE WINGHAM ENGINEERING COMPANY LIMITED

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THE WINGHAM ENGINEERING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2023

| | | 2023 | 2022 |
|--|-------|------------------|------------------|
| | Notes | £ | £ |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 174,832 | 137,472 |
| Investments | 4 | 5,000 | 5,000 |
| | | <u>179,832</u> | <u>142,472</u> |
| Current assets | | | |
| Inventories | | 61,391 | 57,319 |
| Trade and other receivables | 5 | 278,554 | 174,974 |
| Cash and cash equivalents | | 67,328 | 77,724 |
| | | <u>407,273</u> | <u>310,017</u> |
| Current liabilities | 6 | (220,199) | (163,466) |
| Net current assets | | <u>187,074</u> | <u>146,551</u> |
| Total assets less current liabilities | | <u>366,906</u> | <u>289,023</u> |
| Non-current liabilities | 7 | (1,023,500) | (821,104) |
| Provisions for liabilities | | <u>(25,300)</u> | <u>(20,500)</u> |
| Net liabilities | | <u>(681,894)</u> | <u>(552,581)</u> |
| Equity | | | |
| Called up share capital | 9 | 22,428 | 22,428 |
| Retained earnings | | (704,322) | (575,009) |
| Total equity | | <u>(681,894)</u> | <u>(552,581)</u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 November 2023 and are signed on its behalf by:

Mr M McGuirk
Director

Mr J D C Hambling
Director

Company Registration No. 00029196

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

Company information

The Wingham Engineering Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hardys Yard, London Road, Riverhead, Sevenoaks, Kent, TN13 2DN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The Wingham Engineering Company Limited is a wholly owned subsidiary of Ramac Holdings (Trading) Limited and the results of The Wingham Engineering Company Limited are included in the consolidated financial statements of Ramac Holdings (Trading) Limited which are available from Companies House.

1.2 Going concern

At the reporting date, the company was in a net liability position. The directors have considered relevant information, including the company's principal risks and uncertainties, the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, on the basis the company will continue to receive financial support from the parent company.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|------------------------------|
| Plant and machinery | 15% to 24% per annum on cost |
| Fixtures, fittings & equipment | 24% per annum on cost |
| Motor vehicles | 12% to 25% per annum on cost |

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.8 Construction contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. Revenue is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

All called up share capital is allotted and fully paid.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

1.14 Retirement benefits

Defined contribution schemes

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Defined benefit schemes

The pension costs charged against profits represent the amount of the contribution payable to a scheme operated by the parent undertaking in respect of the accounting period.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2022 - 7).

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

3 Property, plant and equipment

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|------------------------------------|---------------------|--------------------------------|----------------|----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 March 2022 | 420,832 | 1,475 | 232,208 | 654,515 |
| Additions | 62,015 | - | 24,495 | 86,510 |
| Disposals | (7,500) | - | (18,595) | (26,095) |
| At 28 February 2023 | 475,347 | 1,475 | 238,108 | 714,930 |
| Depreciation and impairment | | | | |
| At 1 March 2022 | 326,134 | 1,475 | 189,434 | 517,043 |
| Depreciation charged in the year | 36,978 | - | 12,172 | 49,150 |
| Eliminated in respect of disposals | (7,500) | - | (18,595) | (26,095) |
| At 28 February 2023 | 355,612 | 1,475 | 183,011 | 540,098 |
| Carrying amount | | | | |
| At 28 February 2023 | 119,735 | - | 55,097 | 174,832 |
| At 28 February 2022 | 94,698 | - | 42,774 | 137,472 |

4 Fixed asset investments

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Shares in group undertakings and participating interests | 5,000 | 5,000 |

5 Trade and other receivables

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade receivables | 69,035 | 94,979 |
| Other receivables | 209,519 | 79,995 |
| | 278,554 | 174,974 |

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

6 Current liabilities

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Bank loans and overdrafts | 31,357 | 22,574 |
| Trade payables | 155,209 | 105,401 |
| Taxation and social security | 4,460 | 10,254 |
| Other payables | 29,173 | 25,237 |
| | <u>220,199</u> | <u>163,466</u> |

7 Non-current liabilities

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|----------------|
| Amounts owed to group undertakings | 876,408 | 674,012 |
| Other payables | 147,092 | 147,092 |
| | <u>1,023,500</u> | <u>821,104</u> |

Included within other payables are £147,092 (2022 - £147,092) of preference shares, which have no fixed redemption date and cannot be redeemed at the behest of the holder. Therefore the directors have classified the debt as due in more than five years.

Creditors which fall due after five years are as follows:

| | 2023 £ | 2022 £ |
|-----------------------------------|----------------|----------------|
| Payable other than by instalments | <u>147,092</u> | <u>147,092</u> |

8 Retirement benefit schemes

| | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>5,492</u> | <u>5,462</u> |

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,492 (2022 - £5,462).

Defined benefit schemes

The company contributed to a defined benefit pension scheme run by the parent company. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,750 (2022 - £9,750).

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

9 Called up share capital

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 448,568 Ordinary shares of 5p each | 22,428 | 22,428 |
| Shares classified as debt | | |
| Issued and fully paid | | |
| 3,495 7% Preference shares of £10 each | 34,950 | 34,950 |
| 448,568 1% Non-cumulative 2nd preference shares of 25p each | 112,142 | 112,142 |
| | 147,092 | 147,092 |

Shares classified as debt

The 3,495 7% preference shares of £10 each carry the right to receive a cumulative preferential dividend at the rate of 7% per annum in priority to the payment of any dividend on the ordinary shares. They also carry the right, on the winding up of the company, to receive out of surplus assets of the company any arrears or deficiency of cumulative preferential dividend in priority to any distribution amongst the holders of the ordinary shares.

The 448,568 1% non-cumulative second preference shares of 25p each carry the right to a fixed non-cumulative preferential dividend at the rate of 1% per annum and the right in a winding up to the return of capital paid, subject to the rights of the holders of the 7% preference shares, but to no further participation in the profits or assets of the company.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Christopher Reeves ACA FCCA.

The auditor was Carpenter Box.

Carpenter Box is a trading name of Carpenter Box Limited

11 Financial commitments, guarantees and contingent liabilities

The company has entered into a composite accounting agreement with Barclays Bank plc. The amount due under this agreement has been secured by way of cross guarantee with the parent undertaking, Ramac Holdings (Trading) Limited, and its fellow subsidiary undertakings.

The total exposure under this agreement at the year end was £1,016,985 (2022 - £881,194).

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Sales | |
|---------------------|--------------|---------------|
| | 2023 | 2022 |
| | £ | £ |
| Connected companies | 9,216 | 89,354 |
| | <u>9,216</u> | <u>89,354</u> |
| | <u>9,216</u> | <u>89,354</u> |

Other information

In accordance with the requirements in Section 33.1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* the company has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

13 Parent company

The ultimate parent company is Ramac Holdings (Trading) Limited by virtue of 100% shareholding in the company. The registered office and principal place of business is Hardys Yard, London Road, Riverhead, Sevenoaks, Kent, TN13 2DN.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.