REGISTERED NUMBER: 00944323 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

FOR

G W ATKINS & SONS LIMITED

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Charnwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

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for the year ended 31 October 2021

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COMPANY INFORMATION
for the year ended 31 October 2021

DIRECTORS:	C R F Shield S K Wood
SECRETARY:	C R F Shield
REGISTERED OFFICE:	365 Fosse Way Syston Leicester Leicestershire LE7 1NL
REGISTERED NUMBER:	00944323 (England and Wales)
AUDITORS:	Magma Audit LLP Chartered Accountants Statutory Auditor Unit 2, Charnwood Edge Business Park Syston Road Leicestershire LE7 4UZ

STRATEGIC REPORT
for the year ended 31 October 2021

The directors present their strategic report for the year ended 31 October 2021.

The principal activity of the year under review was that of the production and sale of precision aluminium components.

REVIEW OF BUSINESS
The business has had a very challenging year. It has been affected by a number of key macro-economic issues which has significantly affected its ability to operate at any reasonable level of profitability. The business has seen poor volumes from its customers who have been unable to recover from the Covid supply chain impacts. It has seen increasing raw material and energy costs, as well as significant inflation from its supply base.

Further to this recruitment challenges have been seen across all areas of the business driving waste and increasing costs.

Lastly the business completed on a significant transaction with Presbar however the transfer of the customer accounts had not been as understood by the board and so turnover and overhead contribution from this major investment in capital and transfer costs has been well off what was anticipated.

The board has made the decision to restructure the business, losing certain unprofitable customer accounts, and focussing on long term customers who the business can deliver real value to. This has been a difficult process for all and the workforce has been supportive of this transition.

Post year end the business position has stabilised and a closer integration with Bridge Aluminium has helped reduce production costs and waste in the business.

PRINCIPAL RISKS AND UNCERTAINTIES
The key risks and uncertainties affecting the company annually are considered to relate to competition from overseas suppliers, global demand for our customer products and energy and raw material costs. Post year end energy and material costs have been spiralling as a result of the Ukraine situation and the business has had to take measures to recover this from the customer base. The resolution of the Brexit position has removed one of the major risks to the business and it is hoped that this will prove positive long term.

FINANCIAL KEY PERFORMANCE INDICATORS
The Company's key performance indicators are as follows:

Sales
The accounts report a 37% decrease (2019: 22% increase) in the level of sales over the previous financial year.

Gross Margin
Gross margin for the year has decreased from 23.5% to 19.3%.

OTHER KEY PERFORMANCE INDICATORS
There are no significant non-financial key performance indicators which are relevant to understanding the position of the business.

ON BEHALF OF THE BOARD:

C R F Shield - Director

23 May 2022

REPORT OF THE DIRECTORS
for the year ended 31 October 2021

The directors present their report with the financial statements of the company for the year ended 31 October 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the production and sale of precision aluminium components.

DIVIDENDS
No dividends will be distributed for the year ended 31 October 2021.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
C R F Shield has held office during the whole of the period from 1 November 2020 to the date of this report.

Other changes in directors holding office are as follows:

S K Wood was appointed as a director after 31 October 2021 but prior to the date of this report.

P P Danes ceased to be a director after 31 October 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUTURE DEVELOPMENTS
Future developments have been detailed in the strategic report.

FINANCIAL INSTRUMENTS
The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors, hire purchase, trade creditors and inter-company loans that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are credit risk, liquidity risk and interest rate risk. The directors review and agree the policies for managing each of these risks and they are summarized below. The policies have remained unchanged from previous periods.

CREDIT RISK
In order to limit credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Debtor balances are reviewed on a regular basis in conjunction with debt ageing and collection history.

LIQUIDITY RISK
The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

INTEREST RATE RISK

The company finances its operations through a mixture of retained profits, hire purchase and related company loans. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

AUDITORS

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C R F Shield - Director

23 May 2022

Opinion
We have audited the financial statements of G W Atkins & Sons Limited (the 'company') for the year ended 31 October 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of 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 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 31 October 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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.

Material uncertainty 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.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the accounting policy in the financial statements concerning the Company's ability to continue as a going concern. The Company had net liabilities of £555,490 at 31 October 2021 which continued to be depleted in the post-balance sheet period and became a net liability of £895,724 in January 2022. As explained in note 25, the Company relies on the continued support of its funders, principally companies controlled by C R Shield. This requirement indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern if the support is not provided. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on pages three and four, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- challenging assumptions made by management in their significant accounting estimates, in particular in relation to the stock valuation and judgements formed;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Luke Turner ACA FCCA (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Charnwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

23 May 2022

INCOME STATEMENT
for the year ended 31 October 2021

	Notes	2021 £	2020 £
TURNOVER	4	**12,000,172**	12,354,517
Cost of sales		**(10,945,427)**	(9,965,530)
GROSS PROFIT		**1,054,745**	2,388,987
Administrative expenses		**(3,509,536)**	(3,193,282)
		(2,454,791)	(804,295)
Other operating income	5	**529,008**	874,270
OPERATING (LOSS)/PROFIT	7	**(1,925,783)**	69,975
Interest payable and similar expenses	9	**(60,729)**	(49,356)
(LOSS)/PROFIT BEFORE TAXATION		**(1,986,512)**	20,619
Tax on (loss)/profit	10	**(36,500)**	(64,000)
LOSS FOR THE FINANCIAL YEAR		**(2,023,012)**	(43,381)

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the year ended 31 October 2021

	Notes	2021 £	2020 £
LOSS FOR THE YEAR		**(2,023,012)**	(43,381)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(2,023,012)**	(43,381)

The notes form part of these financial statements

BALANCE SHEET
31 October 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	**4,161,903**	4,785,664
Investments	12	**993,408**	993,408
		5,155,311	5,779,072
CURRENT ASSETS			
Stocks	13	**1,653,493**	1,646,244
Debtors	14	**3,327,042**	3,870,466
Cash at bank		**28,095**	156,636
		5,008,630	5,673,346
CREDITORS			
Amounts falling due within one year	15	**(9,724,535)**	(8,323,273)
NET CURRENT LIABILITIES		**(4,715,905)**	(2,649,927)
TOTAL ASSETS LESS CURRENT LIABILITIES		**439,406**	3,129,145
CREDITORS			
Amounts falling due after more than one year	16	**(894,396)**	(1,597,623)
PROVISIONS FOR LIABILITIES	19	**(100,500)**	(64,000)
NET (LIABILITIES)/ASSETS		**(555,490)**	1,467,522
CAPITAL AND RESERVES			
Called up share capital	20	**60,000**	60,000
Retained earnings	21	**(615,490)**	1,407,522
SHAREHOLDERS' FUNDS		**(555,490)**	1,467,522

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2022 and were signed on its behalf by:

C R F Shield - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 October 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2019	60,000	1,450,903	1,510,903
Changes in equity			
Total comprehensive income	-	(43,381)	(43,381)
Balance at 31 October 2020	60,000	1,407,522	1,467,522
Changes in equity			
Total comprehensive income	-	(2,023,012)	(2,023,012)
Balance at 31 October 2021	60,000	(615,490)	(555,490)

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

G W Atkins & Sons Limited is a limited company, registered in England and Wales. Its registered office address is 365 Fosse Way, Syston, Leicester, Leicestershire the registered number is 00944323.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern
The company had net current liabilities at the year end. Notwithstanding this, the directors believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. 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 despite the global pandemic which occurred in prior years. The directors have prepared financial forecasts which incorporate the impact of COVID-19 as far as possible, including cashflow forecasts and an assessment of available associated company support. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

The information is included in the consolidated financial statements of G W Atkins Holdings Limited as at 31 October 2021 and these financial statements may be obtained from G W Atkins Holdings Limited, Third Floor Two Colton Square, Leicester, Leicestershire, LE7 1QH.

Turnover
Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue is recognised on the date that the goods are despatched.

Tangible fixed assets
Tangible fixed assets 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:

Short leasehold land & buildings	Over the term of the lease
Plant & machinery	7 years on a straight line basis
Motor vehicles	3 years on a straight line basis
Fixtures & fittings	3 years on a straight line basis

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.

Government grants
The company has received funding in the form of grants relating to the Coronavirus Job Retention Scheme (CJRS). The grant funding is released to the profit and loss account in full in the period the conditions of the grant funding have been met.

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2. **ACCOUNTING POLICIES - continued**

Investments in subsidiaries
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial instruments
Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors
Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors
Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, 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. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

Equity instruments
Equity instruments issued by the group 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 group.

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2. **ACCOUNTING POLICIES - continued**

Taxation

The tax expense for the year comprises current and deferred tax.

Tax is recognised in profit or loss except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:
- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Both current and deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows;

Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual lives of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the assets and Tangible fixed assets note above for the useful economic lives for each class of asset.

Inventory impairments and provisions
Inventories are valued at lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete inventories. Calculation of these estimates require judgements to be made, which include forecasting consumer demand, competitive and economic environment and inventory loss trends.

The management reviews this on a regular basis. The provision for inventory loss is made to ensure the accounts reflect the lower of net realisable value and cost. The provision comprises of the loss due to ageing of inventory. Historic costs are used to calculate the provision.

Impairment of fixed asset investments
Investments are held at cost less any accumulated impairment losses. An impairment assessment is completed annually and where the carrying value exceeds the recoverable amount an impairment loss will be recognised. Impairment losses are recognised immediately in the profit and loss account.

4. TURNOVER

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Precision aluminium components	**12,000,172**	12,354,517
	12,000,172	12,354,517

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	**12,000,172**	12,354,517
	12,000,172	12,354,517

continued...

5. OTHER OPERATING INCOME

	2021	2020
	£	£
Rents received	**409,949**	380,556
Government grants	**119,059**	493,714
	529,008	874,270

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	**3,638,759**	3,963,857
Social security costs	**343,317**	349,318
Other pension costs	**99,419**	107,374
	4,081,495	4,420,549

The average number of employees during the year was as follows:

	2021	2020
Directors	**2**	2
Production and administration	**134**	169
	136	171

	2021	2020
	£	£
Directors' remuneration	**140,343**	100,224
Directors' pension contributions to money purchase schemes	**6,098**	6,098

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**1**	1

7. OPERATING (LOSS)/PROFIT

The operating loss (2020 - operating profit) is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	**644,075**	624,447
Depreciation - owned assets	**978,220**	788,947
Profit on disposal of fixed assets	**(51,163)**	(17,400)
Foreign exchange differences	**-**	(4,458)

8. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	**8,750**	8,000

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Hire purchase interest	**60,729**	49,356

continued...

10. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2021	2020
	£	£
Deferred tax	36,500	64,000
Tax on (loss)/profit	36,500	64,000

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
(Loss)/profit before tax	(1,986,512)	20,619
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(377,437)	3,918
Effects of:		
Expenses not deductible for tax purposes	7,586	5,610
Income not taxable for tax purposes	(339)	-
Capital allowances in excess of depreciation	(1,136)	(17,690)
Fixed asset (profit)/loss on disposal	(9,721)	(3,306)
Chargeable gain	2,755	-
Group relief	34,232	-
Non-trade related loss relief	(10,133)	(6,851)
Tax losses brought forward	(18,319)	-
Tax losses carried forward	372,512	18,319
Deferred tax movement	36,500	64,000
Total tax charge	36,500	64,000

11. TANGIBLE FIXED ASSETS

	Short leasehold land & buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1 November 2020	82,083	6,839,512	109,674	17,000	7,048,269
Additions	25,404	289,783	66,373	19,925	401,485
Disposals	-	(152,912)	-	-	(152,912)
At 31 October 2021	107,487	6,976,383	176,047	36,925	7,296,842
DEPRECIATION					
At 1 November 2020	3,240	2,224,285	34,608	472	2,262,605
Charge for year	3,915	923,915	40,850	9,540	978,220
Eliminated on disposal	-	(105,886)	-	-	(105,886)
At 31 October 2021	7,155	3,042,314	75,458	10,012	3,134,939
NET BOOK VALUE					
At 31 October 2021	100,332	3,934,069	100,589	26,913	4,161,903
At 31 October 2020	78,843	4,615,227	75,066	16,528	4,785,664

continued...

11. TANGIBLE FIXED ASSETS - continued

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Plant and machinery	2,499,330	3,177,952

The depreciation charge for the year on assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Plant and machinery	537,840	467,056

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST	
At 1 November 2020	
and 31 October 2021	**993,408**
NET BOOK VALUE	
At 31 October 2021	**993,408**
At 31 October 2020	993,408

13. STOCKS

	2021	2020
	£	£
Raw materials	**276,962**	371,182
Work-in-progress	**1,140,807**	881,155
Finished goods	**235,724**	393,907
	1,653,493	1,646,244

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	**2,726,242**	3,268,140
Amounts owed by group undertakings	**325,756**	325,754
Other debtors	**-**	134,562
Prepayments and accrued income	**275,044**	142,010
	3,327,042	3,870,466

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 17)	**750,766**	827,514
Trade creditors	**2,935,309**	2,241,465
Amounts owed to group undertakings	**3,404,309**	3,092,307
Social security and other taxes	**233,304**	339,632
VAT	**89,048**	143,016
Other creditors	**1,770,106**	1,178,255
Accruals and deferred income	**541,693**	501,084
	9,724,535	8,323,273

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 17)	**894,396**	1,597,623

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	**750,766**	827,514
Between one and five years	**894,396**	1,597,623
	1,645,162	2,425,137

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	**625,000**	625,000
Between one and five years	**2,500,000**	2,500,000
In more than five years	**7,351,000**	7,976,000
	10,476,000	11,101,000

Operating lease payments represent rentals payable by the company for property. The lease payments recognised as an expense in the year in relation to the property were £644,075.

continued...

17. **LEASING AGREEMENTS - continued**

Lessor

The company sub-leases property. Rental income earned on the specific property under non-cancellable agreements during the year was £409,949. The total period of the lease is 5 years.

At the reporting end date the company had contracted with customers for the following minimum lease payments:

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	390,058	392,225
Between one and five years	647,083	1,035,332
	1,037,140	1,427,557

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Hire purchase contracts	**1,645,162**	2,425,137
Invoice discounting	**1,390,106**	798,255
	3,035,268	3,223,392

The invoice discounting facility, included within other creditors, represents amounts due to RBS Invoice Finance Ltd which are secured by fixed and floating charges over the assets of the company.

Hire purchase contracts are secured on the assets concerned.

19. **PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	**100,500**	-
Deferred tax	**-**	64,000
	100,500	64,000

	Deferred tax
	£
Balance at 1 November 2020	**64,000**
Unused amounts reversed during year	**36,500**
Movement due to change in rate	
Balance at 31 October 2021	**100,500**

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2021**	2020
			£	£
60,000	Ordinary	£1	**60,000**	60,000

continued...

21. **RESERVES**

Profit & loss account
The profit and loss account includes all current and prior period retained profits and losses.

22. **PENSION COMMITMENTS**

The company operates a defined contributions 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 £99,419 (2020 - £107,374).

23. **CONTINGENT LIABILITIES**

On 19 August 2020, G W Atkins & Sons Limited entered in to an agreement to purchase the assets of a competitor. Included in these assets were £1,480,000 of Plant and Machinery and the competitor's order book at £795,500. As part of the agreement, there is £1,175,500 of deferred consideration payable within 24 months of the completion date.

At the point of approving these financial statements, the agreement is in legal dispute and the Company has not made any payments towards the deferred consideration. The directors of G W Atkins & Sons Limited are doubtful that the deferred consideration attributable to the order book of £795,500 will be payable once the case is settled. The exact amount is currently being negotiated.

24. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the company had transactions with the following related companies, all ultimately controlled by C R F Shield.

	2021	2020
	£	£
Purchases from Burrows & Smith Limited	(16,800)	(2,568)
Sales to Burrows & Smith Limited	9,964	11,661
Amounts due from/(to) Burrows and Smith Limited	(16,968)	(968)
Sales to Spaw Limited	578	577
Amounts due from/(to) Spaw Engineering Limited	(130,000)	(130,000)
Sales to Woolley GMC Company Limited	14,654	14,400
Sales ledger balance Woolley GMC Engineering Limited	2,447	2,400
Amounts due from/(to) Woolley GMC Engineering Limited	325,755	325,755
Purchases from Shield Engineering (Syston) Limited	(119,415)	(187,791)
Sales to Shield Engineering (Syston) Limited	941,974	1,213,939
Amounts due from/(to) Shield Engineering (Syston) Limited	(2,793,017)	(2,998,728)
Sales to PFS Manufacturing Limited	2,880	-
Amounts due from/(to) PFS Manufacturing Limited	2,880	-

25. **POST BALANCE SHEET EVENTS**

The business, along with the manufacturing industry as a whole, has seen a shortage of labour available for use in its production facilities because of the pandemic. However, this is amplified by increased competition for local labour with newly established distribution centres. This has affected the Company's supply chain at multiple stages and has resulted in the Company having to scale down its operations.

In addition to the labour shortage, the industry has also seen a rise in raw material prices. The Company has managed to pass these increases on to the customer where possible but in some circumstances resulted in loss of custom. This has added constraints to cash flow and resulted in the company falling in to a net liabilities position on the post-year end balance sheet. The company has received a letter of support from C R Shield stating that the companies under their control will continue to support the company through this period of uncertainty.

26. **ULTIMATE CONTROLLING PARTY**

The parent company is G W Atkins & Sons Holdings Limited which is controlled by Mr C R F Shield.