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Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 December 2016

for

BAS Castings Limited

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for the Year Ended 31 December 2016

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Company Information
for the Year Ended 31 December 2016

DIRECTORS:

R G Radford
S P Murphy
N P E Cooper
Mrs K J Mason

SECRETARY:

S P Murphy

REGISTERED OFFICE:

Wharf Road Industrial Estate
Pinxton
Nottinghamshire
NG16 6LE

REGISTERED NUMBER:

01137480 (England and Wales)

AUDITORS:

Mander Duffill
Chartered Accountants & Registered Auditors
The Old Post Office
41-43 Market Place
Chippenham
Wiltshire
SN15 3HR

BANKERS:

Barclays Bank Plc
Corporate Banking Centre
PO Box 1015
3rd Floor Windsor Court
3 Windsor Place
Cardiff
CF10 3ZL

Strategic Report
for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

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

The reduction in order intake which started in September 2015 continued for much of 2016 but demand did start to pick up during the last quarter of the year. Whilst we would still have recorded a result below that of the prior year the 2016 outcome was adversely affected by two major operational issues which between them have probably cut profits by greater than £100,000. These problems are now behind us.

By the end of 2016 order intake was consistently improving across all our markets albeit with overall demand at levels much below where it was say 3 years ago. The EU referendum outcome in June 2016 had no major immediate impact good or bad, but the subsequent fall in the value of sterling is starting to come through in higher input prices as much of our raw materials comes from overseas.

PRINCIPAL RISKS AND UNCERTAINTIES

We manufacture high integrity iron castings for all engineering markets but are focussed on low volume specialist OEMs rather than, for example, the automotive market; extraction industries, power generation, marine and offshore, are particular niches for us. As we mention above we are exploring new markets and have invested in people and technology to address them; however there is no guarantee that this will lead to additional sales and there is of course uncertainty as to when our traditional markets will return.

DEVELOPMENT

We continue to pursue new markets and ensure we have the necessary skills and formal standards approvals to satisfy them.

YEAR END POSITION

Demand has picked up and we have demonstrated in the past that when we have sufficient work in front of us we can be profitable. We still face serious challenges, in particular rising materials costs, but we believe that 2017 should see a profit improvement over 2016.

KEY PERFORMANCE INDICATORS

The principal indicators used to measure the performance at a Group and subsidiary level in the past twelve months are order intake and cash generation. There are very detailed key performance indicators at an operating level and these are monitored accordingly.

ON BEHALF OF THE BOARD:


.....
S P Murphy - Secretary

Date: 29/6/2017

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of ferrous and non-ferrous castings.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

R G Radford
S P Murphy
N P E Cooper

Other changes in directors holding office are as follows:

Mrs K J Mason - appointed 1 February 2016

S Dilks ceased to be a director after 31 December 2016 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:

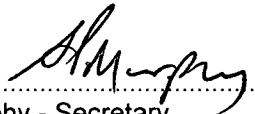
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

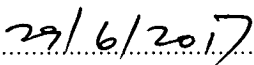
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


S P Murphy - Secretary

Date:



Report of the Independent Auditors to the Members of
BAS Castings Limited

We have audited the financial statements of BAS Castings Limited for the year ended 31 December 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

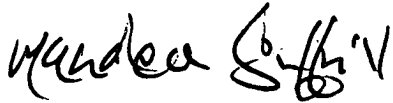
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
BAS Castings Limited

Matters on which we are required to report by exception

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.



R L Mander (Senior Statutory Auditor)
for and on behalf of Mander Duffill
Chartered Accountants & Registered Auditors
The Old Post Office
41-43 Market Place
Chippenham
Wiltshire
SN15 3HR

Date: 29 June 2017

Statement of Comprehensive Income
for the Year Ended 31 December 2016

	Notes	31.12.16 £'000	31.12.15 £'000
TURNOVER		7,215	9,774
Cost of sales		<u>5,597</u>	<u>7,657</u>
GROSS PROFIT		1,618	2,117
Administrative expenses		<u>1,468</u>	<u>1,703</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	150	414
Tax on profit	6	<u>(3)</u>	<u>(2)</u>
PROFIT FOR THE FINANCIAL YEAR		153	416
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>153</u>	<u>416</u>

Balance Sheet
31 December 2016

	Notes	31.12.16 £'000	£'000	31.12.15 £'000	£'000
FIXED ASSETS					
Tangible assets	7		327		356
CURRENT ASSETS					
Stocks	8	587		383	
Debtors	9	2,986		2,820	
Cash in hand		<u>491</u>		<u>528</u>	
		4,064		3,731	
CREDITORS					
Amounts falling due within one year	10	<u>1,319</u>		<u>1,165</u>	
NET CURRENT ASSETS			<u>2,745</u>		<u>2,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,072		2,922
PROVISIONS FOR LIABILITIES	11		<u>18</u>		<u>21</u>
NET ASSETS			<u>3,054</u>		<u>2,901</u>
CAPITAL AND RESERVES					
Called up share capital	12		-		-
Retained earnings	13		<u>3,054</u>		<u>2,901</u>
SHAREHOLDERS' FUNDS			<u>3,054</u>		<u>2,901</u>

The financial statements were approved by the Board of Directors on 29/6/2017 and were signed on its behalf by:


.....
S P Murphy - Director

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	2,485	2,485
Changes in equity		
Total comprehensive income	<u>416</u>	<u>416</u>
Balance at 31 December 2015	<u>2,901</u>	<u>2,901</u>
Changes in equity		
Total comprehensive income	<u>153</u>	<u>153</u>
Balance at 31 December 2016	<u><u>3,054</u></u>	<u><u>3,054</u></u>

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. STATUTORY INFORMATION

BAS Castings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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 have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below.

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 Section 33 Related Party Disclosures paragraph 33.7.

Significant judgements and estimates

The directors have reviewed the significant judgements and estimates for the company.

The estimates that are in place have been agreed and there are not future changes that would involve a significant change in these estimates. The directors will be monitoring these on a regular basis to ensure that any changes are reflected.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

A geographical analysis of turnover is omitted for reasons allowed under SSAP 25, para. 43.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant machinery and patterns	- 15% on cost
Office equipment fixtures and fittings	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. The cost of the work in progress comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**2. ACCOUNTING POLICIES - continued****Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

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.

Hire purchase and leasing commitments

Rentals applicable to operating leases under which substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	31.12.16	31.12.15
	£'000	£'000
Wages and salaries	2,094	2,582
Social security costs	205	238
Other pension costs	110	90
	<u>2,409</u>	<u>2,910</u>

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

	31.12.16	31.12.15
Works	78	78
Sales and administration	21	21
	<u>99</u>	<u>99</u>

4. DIRECTORS' EMOLUMENTS

	31.12.16	31.12.15
	£	£
Directors' remuneration	185,000	185,000
Directors' pension contributions to money purchase schemes	<u>21,780</u>	<u>22,467</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016****4. DIRECTORS' EMOLUMENTS - continued**

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

Money purchase schemes	<u>2</u>	<u>1</u>
------------------------	----------	----------

The amounts in respect of the highest paid director are emoluments of £120,000 (2015: £120,000) and pension contributions of £14,500 (2015: £17,267).

5. OPERATING PROFIT

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

	31.12.16	31.12.15
	£'000	£'000
Other operating leases	23	29
Depreciation - owned assets	59	58
Auditors' remuneration	8	7
Foreign exchange differences	2	(10)
Property leasing cost	<u>55</u>	<u>55</u>

6. TAXATION**Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

	31.12.16	31.12.15
	£'000	£'000
Deferred tax	<u>(3)</u>	<u>(2)</u>
Tax on profit	<u>(3)</u>	<u>(2)</u>

Reconciliation of total tax credit included in profit and loss

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

	31.12.16	31.12.15
	£'000	£'000
Profit before tax	<u>150</u>	<u>414</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	30	83
Effects of:		
Depreciation in excess of capital allowances	5	3
Group relief not paid for	(35)	(86)
Deferred tax movement	<u>(3)</u>	<u>(2)</u>
Total tax credit	<u>(3)</u>	<u>(2)</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

7. TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant machinery and patterns £'000	Office equipment fixtures and fittings £'000	Totals £'000
COST				
At 1 January 2016	199	346	33	578
Additions	<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>
At 31 December 2016	<u>199</u>	<u>376</u>	<u>33</u>	<u>608</u>
DEPRECIATION				
At 1 January 2016	40	160	22	222
Charge for year	<u>2</u>	<u>52</u>	<u>5</u>	<u>59</u>
At 31 December 2016	<u>42</u>	<u>212</u>	<u>27</u>	<u>281</u>
NET BOOK VALUE				
At 31 December 2016	<u>157</u>	<u>164</u>	<u>6</u>	<u>327</u>
At 31 December 2015	<u>159</u>	<u>186</u>	<u>11</u>	<u>356</u>

8. STOCKS

	31.12.16 £'000	31.12.15 £'000
Raw materials	148	127
Work-in-progress	<u>439</u>	<u>256</u>
	<u>587</u>	<u>383</u>

The company purchases, produces and sells these items on to customers.

Stock recognised in costs of sales during the year as an expense was £2,890,000 (2015: £4,375,000).

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £'000	31.12.15 £'000
Trade debtors	1,588	1,680
Amounts owed by group undertakings	1,345	1,101
Other debtors	35	8
Prepayments	<u>18</u>	<u>31</u>
	<u>2,986</u>	<u>2,820</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £'000	31.12.15 £'000
Trade creditors	981	797
Amounts owed to group undertakings	49	5
Social security and other taxes	171	189
Other creditors	54	53
Accruals and deferred income	<u>64</u>	<u>121</u>
	<u>1,319</u>	<u>1,165</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016****11. PROVISIONS FOR LIABILITIES**

	31.12.16 £'000	31.12.15 £'000
Deferred tax		
Accelerated capital allowances	<u>18</u>	<u>21</u>
		Deferred tax
Balance at 1 January 2016		£'000
Credit to Statement of Comprehensive Income during year		21
		<u>(3)</u>
Balance at 31 December 2016		<u>18</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16 £	31.12.15 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

13. RESERVES

	Retained earnings £'000
At 1 January 2016	2,901
Profit for the year	<u>153</u>
At 31 December 2016	<u>3,054</u>

14. ULTIMATE PARENT COMPANY

The immediate parent company of this company is North Midlands Castings Limited, a company registered in England and Wales. The UK parent undertaking for which consolidated accounts have been prepared at 31 December 2016 is Ryder Court Investments Limited, a company registered in England and Wales.

The ultimate controlling party is Mr S P Murphy.

15. CONTINGENT LIABILITIES

The company is involved in the Value Added Tax Group election under s29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31 December 2016 tax owing to the group was £190,602 (31 December 2015: £147,280 owed by the group).

The company together with other group undertakings are also part of an agreement with Barclays Bank Plc, whereby balances with the bank are subject to joint and several guarantees. The net aggregated borrowings at 31 December 2016 subject to this agreement amounted to £634,879 (31 December 2015: nil). The bank has a fixed and floating charge over all of the company's assets.

16. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption not to disclose transactions with other entities that fall within the group of companies owned 100% by the ultimate parent company.