

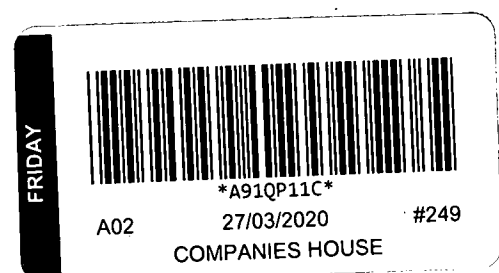
Registration number: 01150600

Westley Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 June 2019

Walker Hubble
5 Parsons Street
Dudley
West Midlands
DY1 1JJ



Westley Group Limited

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Westley Group Limited

Company Information

Directors Mr Michael James Richards
 Mr James Michael Salisbury
 Mr Robert John Salisbury
 Mr Thomas Philip Westley

Registered office Doulton Road
 Cradley Heath
 West Midlands
 B64 5QS

Bankers Barclays Bank Plc
 Birmingham
 15 Colmore Row
 Birmingham
 B3 2EP

Auditors Walker Hubble
 5 Parsons Street
 Dudley
 West Midlands
 DY1 1JJ

Westley Group Limited

Strategic Report for the Year Ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019.

Principal activity

The principal activity of the company continues to be that of a holding company which manages and co-ordinates the activities of its subsidiary undertakings - Westleys Limited, Spunalloys Limited, Francis W Birkett and Sons Limited, Walter Frank and Sons Limited, Sweetmore Engineering Holdings Limited, J Roberts Bronze Components Limited and Meighs & Westleys Limited

Fair review of the business

In the financial year ended 30th June 2019 the Group produced a strong performance consistent with the improvements made in recent history. Entering the year with good order book foundations enabled all trading Companies within the Group to operate profitably. An EBITDA of £2.5 million was a 14.2% increase on the previous financial year.

The Meighs & Westleys business was the best performing area within the Group producing an EBITDA of £1.3 million which was almost double the performance of the previous year. This was achieved through further penetration into defence markets as well as good activity within the Art and Architectural market sectors. These are clear benefits of the diversification of the business reducing reliance on markets led by Oil and Gas prices.

Another pleasing aspect of the financial year's performance was the cash generation. The Group generated an overall cash increase of £1.9 million. This has seen the Group's net borrowing reduce from £5.1 million at the beginning of the year to £3.5 million at the end of the year. The Group's gearing now stands at 28%.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£	33,322,021	29,985,035
Turnover per employee	£	106,801	97,671
Gross Profit	£	7,684,821	6,897,923
Gross Profit %	%	23	23
EBITDA (before exceptional items)	£	2,478,907	2,169,511
EBITDA %	%	7	7

Principal risks and uncertainties

The management continually monitor the key risk factors facing the business as well as assessing the controls used for managing these risks.

The markets the Group operates in expose it to a demand led by oil and gas prices. The oil price has remained depressed which has impacted on the number of large scale infrastructure projects. Therefore, the Group continues to explore and service new markets including obtaining regulatory approvals to serve these markets and this is having the benefit of diversification of the business.

A significant proportion of the Group's turnover is to export markets. The uncertainty of "Brexit" is an area of risk for the Group's European exports and to manage this the Group is ensuring, where possible, necessary registrations are held as well as liaising with customers to manage communications and reduce any confusion. This area of risk is also managed through appropriate use of exchange rate hedging strategies.

The metal content of the Group's product expose it to fluctuations in metal prices. The Group manages this by purchasing strategies and sales contracts linked to material prices.

Westley Group Limited

Strategic Report for the Year Ended 30 June 2019 (continued)

Approved by the Board on 26 March 2020 and signed on its behalf by:



.....
Mr Michael James Richards
Director

Westley Group Limited

Directors' Report for the Year Ended 30 June 2019

The directors present their report and the for the year ended 30 June 2019.

Directors of the group

The directors who held office during the year were as follows:

Mr Michael James Richards

Mr James Michael Salisbury

Mr Robert John Salisbury

Mr Thomas Philip Westley

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk:

The group is exposed to commodity price risk. The group manages its risk to commodity price risk where it is considered financially appropriate, presently this is only in respect of metal purchasing.

Credit risk:

The group's principal financial assets are bank balances and cash, trade and other receivables.

The group's credit risk is primarily attributed to trade receivables. The amounts presented in the balance sheet are net of doubtful receivables. An allowance is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk:

The group has funded and intends to continue funding its ongoing operations and future developments through cash generated from operating activities and secured bank borrowings.

Cash flow risk:

The group is not significantly exposed to the financial risks of foreign currency exchange rates. Interest bearing assets are held at fixed rates to ensure certainty of cash flow.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Walker Hubble are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Westley Group Limited

Directors' Report for the Year Ended 30 June 2019 (continued)

Approved by the Board on 26 March 2020 and signed on its behalf by:



.....
Mr Michael James Richards
Director

Westley Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Westley Group Limited

Independent Auditor's Report to the Members of Westley Group Limited

Opinion

We have audited the financial statements of Westley Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2019 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Westley Group Limited

Independent Auditor's Report to the Members of Westley Group Limited (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Westley Group Limited

Independent Auditor's Report to the Members of Westley Group Limited (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Gavin R Pearson (Senior Statutory Auditor)
For and on behalf of Walker Hubble, Statutory Auditor

5 Parsons Street
Dudley
West Midlands
DY1 1JJ

26 March 2020

Westley Group Limited

Consolidated Profit and Loss Account for the Year Ended 30 June 2019

	Note	2019 £	2018 £
Turnover	3	33,322,021	29,985,035
Cost of sales		<u>(25,637,200)</u>	<u>(23,087,112)</u>
Gross profit		7,684,821	6,897,923
Administrative expenses		(6,285,701)	(5,129,192)
Other operating income	4	<u>8,555</u>	<u>29,329</u>
Operating profit	6	<u>1,407,675</u>	<u>1,798,060</u>
Other interest receivable and similar income	7	725	-
Interest payable and similar expenses	8	<u>(180,217)</u>	<u>(114,971)</u>
		<u>(179,492)</u>	<u>(114,971)</u>
Profit before tax		1,228,183	1,683,089
Taxation	12	<u>220,096</u>	<u>(134,983)</u>
Profit for the financial year		<u><u>1,448,279</u></u>	<u><u>1,548,106</u></u>
Profit/(loss) attributable to:			
Owners of the company		<u><u>1,448,279</u></u>	<u><u>1,548,106</u></u>

The above results were derived from continuing operations.

Westley Group Limited

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2019

	2019 £	2018 £
Profit for the year	1,448,279	1,548,106
Revaluation reserve realised	(105,938)	(201,696)
Revaluation reserve transfer	-	201,696
Goodwill on Consolidation	(17,732)	(17,732)
Remeasurement gain/loss on defined benefit pension schemes	(41,300)	54,110
	<u>(164,970)</u>	<u>36,378</u>
Total comprehensive income for the year	<u>1,283,309</u>	<u>1,584,484</u>
Total comprehensive income attributable to:		
Owners of the company	<u>1,283,309</u>	<u>1,584,484</u>

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited
(Registration number: 01150600)
Consolidated Balance Sheet as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	191,924	207,198
Tangible assets	14	<u>7,611,602</u>	<u>7,553,190</u>
		<u>7,803,526</u>	<u>7,760,388</u>
Current assets			
Stocks	16	6,416,707	7,230,173
Debtors	17	9,347,516	10,178,636
Cash at bank and in hand		<u>3,311,946</u>	<u>4,026,870</u>
		19,076,169	21,435,679
Creditors: Amounts falling due within one year	19	<u>(11,595,290)</u>	<u>(15,347,184)</u>
Net current assets		<u>7,480,879</u>	<u>6,088,495</u>
Total assets less current liabilities		15,284,405	13,848,883
Creditors: Amounts falling due after more than one year	19	(2,546,385)	(2,153,289)
Provisions for liabilities		<u>(166,468)</u>	<u>(150,542)</u>
Net assets excluding pension asset/(liability)		12,571,552	11,545,052
Net pension liability	20	<u>(112,590)</u>	<u>(96,490)</u>
Net assets		<u>12,458,962</u>	<u>11,448,562</u>
Capital and reserves			
Called up share capital	21	60,646	60,646
Share premium reserve		52,419	52,419
Capital redemption reserve		3,484,605	3,484,605
Revaluation reserve		1,019,459	1,134,617
Profit and loss account		<u>7,841,833</u>	<u>6,716,275</u>
Equity attributable to owners of the company		<u>12,458,962</u>	<u>11,448,562</u>
Total equity		<u>12,458,962</u>	<u>11,448,562</u>

Approved and authorised by the Board on 26 March 2020 and signed on its behalf by:



 Mr James Michael Salisbury
 Director

The notes on pages 18 to 40 form an integral part of these financial statements.
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Westley Group Limited

(Registration number: 01150600)

Balance Sheet as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,170,151	3,214,037
Investments	15	<u>10,567,516</u>	<u>10,567,516</u>
		<u>13,737,667</u>	<u>13,781,553</u>
Current assets			
Debtors	17	2,050,779	1,606,440
Cash at bank and in hand		<u>186,050</u>	<u>151,006</u>
		2,236,829	1,757,446
Creditors: Amounts falling due within one year	19	<u>(6,751,917)</u>	<u>(6,207,959)</u>
Net current liabilities		<u>(4,515,088)</u>	<u>(4,450,513)</u>
Total assets less current liabilities		9,222,579	9,331,040
Creditors: Amounts falling due after more than one year	19	(2,388,334)	(2,041,666)
Provisions for liabilities		-	(212)
Net assets		<u>6,834,245</u>	<u>7,289,162</u>
Capital and reserves			
Called up share capital	21	60,646	60,646
Share premium reserve		52,419	52,419
Capital redemption reserve		3,484,605	3,484,605
Revaluation reserve		1,129,077	1,138,297
Profit and loss account		<u>2,107,498</u>	<u>2,553,195</u>
Total equity		<u>6,834,245</u>	<u>7,289,162</u>

The company made a loss after tax for the financial year of £182,008 (2018 - loss of £442,614).

Approved and authorised by the Board on 26 March 2020 and signed on its behalf by:



 Mr James Michael Salisbury
 Director

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019
Equity attributable to the parent company

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £	Total equity £
At 1 July 2018	60,646	52,419	3,484,605	1,134,617	6,716,275	11,448,562	11,448,562
Profit for the year	-	-	-	-	1,448,279	1,448,279	1,448,279
Other comprehensive income	-	-	-	(115,158)	(49,812)	(164,970)	(164,970)
Total comprehensive income	-	-	-	(115,158)	1,398,467	1,283,309	1,283,309
Dividends	-	-	-	-	(272,909)	(272,909)	(272,909)
At 30 June 2019	60,646	52,419	3,484,605	1,019,459	7,841,833	12,458,962	12,458,962
	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £	Total equity £
At 1 July 2017	60,646	52,419	3,484,605	1,344,586	5,194,731	10,136,987	10,136,987
Profit for the year	-	-	-	-	1,548,106	1,548,106	1,548,106
Other comprehensive income	-	-	-	(209,969)	246,347	36,378	36,378
Total comprehensive income	-	-	-	(209,969)	1,794,453	1,584,484	1,584,484
Dividends	-	-	-	-	(272,909)	(272,909)	(272,909)
At 30 June 2018	60,646	52,419	3,484,605	1,134,617	6,716,275	11,448,562	11,448,562

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited

Statement of Changes in Equity for the Year Ended 30 June 2019

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2018	60,646	52,419	3,484,605	1,138,297	2,553,195	7,289,162
Loss for the year	-	-	-	-	(182,008)	(182,008)
Other comprehensive income	-	-	-	(9,220)	9,220	-
Total comprehensive income	-	-	-	(9,220)	(172,788)	(182,008)
Dividends	-	-	-	-	(272,909)	(272,909)
At 30 June 2019	60,646	52,419	3,484,605	1,129,077	2,107,498	6,834,245
	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2017	60,646	52,419	3,484,605	1,146,570	3,260,445	8,004,685
Loss for the year	-	-	-	-	(442,614)	(442,614)
Other comprehensive income	-	-	-	(8,273)	8,273	-
Total comprehensive income	-	-	-	(8,273)	(434,341)	(442,614)
Dividends	-	-	-	-	(272,909)	(272,909)
At 30 June 2018	60,646	52,419	3,484,605	1,138,297	2,553,195	7,289,162

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited

Consolidated Statement of Cash Flows for the Year Ended 30 June 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		1,448,279	1,548,106
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,030,053	940,401
Profit on disposal of tangible assets	5	(4,200)	(842,126)
Finance income	7	(725)	-
Finance costs	8	180,217	114,971
Income tax expense	12	(220,096)	134,983
		2,433,528	1,896,335
Working capital adjustments			
Decrease/(increase) in stocks	16	813,466	(785,802)
Decrease/(increase) in trade debtors	17	350,788	(1,848,487)
Decrease in trade creditors	19	(556,369)	(223,060)
Decrease in retirement benefit obligation net of actuarial changes	20	(25,200)	-
Cash generated from operations		3,016,213	(961,014)
Income taxes received	12	116,186	-
Net cash flow from operating activities		3,132,399	(961,014)
Cash flows from investing activities			
Interest received		725	-
Acquisitions of tangible assets		(1,059,587)	(1,604,906)
Proceeds from sale of tangible assets		4,201	1,940,953
Acquisition of intangible assets	13	(7,675)	-
Net cash flows from investing activities		(1,062,336)	336,047
Cash flows from financing activities			
Interest paid	8	(180,217)	(114,971)
Repayment of bank borrowing		(166,666)	(166,666)
Proceeds from other borrowing draw downs		550,000	-
Payments to finance lease creditors		(57,252)	(77,952)
Dividends paid		(272,909)	(272,909)
Net cash flows from financing activities		(127,044)	(632,498)
Net increase/(decrease) in cash and cash equivalents		1,943,019	(1,257,465)
Cash and cash equivalents at 1 July		(2,939,261)	(1,681,796)
Cash and cash equivalents at 30 June		(996,242)	(2,939,261)

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited

Statement of Cash Flows for the Year Ended 30 June 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Loss for the year		(182,008)	(442,614)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	56,228	55,982
Finance income		(522)	-
Finance costs		148,879	110,410
Income tax expense	12	(212)	485,454
		22,365	209,232
Working capital adjustments			
Increase in trade debtors	17	(444,339)	(1,354,170)
Increase in trade creditors	19	1,981,158	1,859,163
Cash generated from operations		1,559,184	714,225
Income taxes paid	12	(491,326)	-
Net cash flow from operating activities		1,067,858	714,225
Cash flows from investing activities			
Interest received		522	-
Acquisitions of tangible assets		(12,342)	(63,000)
Net cash flows from investing activities		(11,820)	(63,000)
Cash flows from financing activities			
Interest paid		(148,879)	(110,410)
Repayment of bank borrowing		(166,666)	(166,667)
Proceeds from other borrowing draw downs		550,000	-
Dividends paid		(272,909)	(272,909)
Net cash flows from financing activities		(38,454)	(549,986)
Net increase in cash and cash equivalents		1,017,584	101,239
Cash and cash equivalents at 1 July		(1,276,978)	(1,378,217)
Cash and cash equivalents at 30 June		(259,394)	(1,276,978)

The notes on pages 18 to 40 form an integral part of these financial statements.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Doulton Road
Cradley Heath
West Midlands
B64 5QS

These financial statements were authorised for issue by the Board on 26 March 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2019.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

2 Accounting policies (continued)

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

2 Accounting policies (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	No depreciation
Buildings	Over 50 years
Leasehold buildings	Straight line over the life of the lease
Plant and machinery	Over 4 to 10 years
Fixtures, Fittings and Equipment	Over 4 to 10 years
Motor Vehicles	Over 4 years

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

2 Accounting policies (continued)

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	write off the cost in equal annual instalments over their estimated useful life of 5 years.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

2 Accounting policies (continued)

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	<u>33,322,021</u>	<u>29,985,035</u>

The analysis of the group's turnover for the year by market is as follows:

	2019 £	2018 £
UK	23,437,891	24,251,875
Europe	5,531,374	3,791,069
Rest of world	<u>4,352,756</u>	<u>1,942,091</u>
	<u>33,322,021</u>	<u>29,985,035</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2019 £	2018 £
Rental income	<u>8,555</u>	<u>29,329</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2019 £	2018 £
Gain (loss) on disposal of property, plant and equipment	<u>4,200</u>	<u>842,126</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

6 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	1,024,836	935,952
Amortisation expense	5,217	4,449
Operating lease expense - property	25,000	25,000
Operating lease expense - plant and machinery	201,343	182,395
Profit on disposal of property, plant and equipment	<u>(4,200)</u>	<u>(842,126)</u>

7 Other interest receivable and similar income

	2019 £	2018 £
Interest income on bank deposits	612	-
Other finance income	<u>113</u>	<u>-</u>
	<u>725</u>	<u>-</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	148,879	110,410
Interest on obligations under finance leases and hire purchase contracts	5,902	4,561
Other finance costs	<u>25,436</u>	<u>-</u>
	<u>180,217</u>	<u>114,971</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	9,288,636	8,579,410
Social security costs	818,617	754,393
Pension costs, defined contribution scheme	218,562	145,297
Other employee expense	<u>135,514</u>	<u>142,487</u>
	<u>10,461,329</u>	<u>9,621,587</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

9 Staff costs (continued)

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Production	259	253
Administration and support	53	54
	<u>312</u>	<u>307</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	<u>95,966</u>	<u>54,619</u>

11 Auditors' remuneration

	2019 £	2018 £
Audit of these financial statements	<u>30,506</u>	<u>24,134</u>
Other fees to auditors		
Taxation compliance services	8,050	6,200
All other assurance services	<u>10,433</u>	<u>8,325</u>
	<u>18,483</u>	<u>14,525</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

12 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	(127,180)	119,836
UK corporation tax adjustment to prior periods	<u>(108,842)</u>	<u>-</u>
	<u>(236,022)</u>	<u>119,836</u>
Deferred taxation		
Arising from origination and reversal of timing differences	15,926	(11,879)
Arising from changes in tax rates and laws	<u>-</u>	<u>27,026</u>
Total deferred taxation	<u>15,926</u>	<u>15,147</u>
Tax (receipt)/expense in the income statement	<u><u>(220,096)</u></u>	<u><u>134,983</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>1,228,183</u>	<u>1,683,089</u>
Corporation tax at standard rate	233,355	319,787
Increase from effect of different UK tax rates on some earnings	3,305	-
Effect of expense not deductible in determining taxable profit (tax loss)	3,038	3,217
Effect of tax losses	(3,318)	-
Deferred tax (credit)/expense relating to changes in tax rates or laws	(19,584)	27,026
Decrease from tax losses for which no deferred tax asset was recognised	(134,575)	-
Deferred tax expense from unrecognised temporary difference from a prior period	-	4,828
Decrease in UK and foreign current tax from adjustment for prior periods	(236,022)	-
Tax decrease from effect of capital allowances and depreciation	-	(27,150)
Tax decrease from effect of adjustment in research and development tax credit	(65,833)	(674,424)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(462)</u>	<u>481,699</u>
Total tax (credit)/charge	<u><u>(220,096)</u></u>	<u><u>134,983</u></u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

13 Intangible assets

Group

	Goodwill £	Trademarks, patents and licenses £	Total £
Cost or valuation			
At 1 July 2018	354,637	39,440	394,077
Additions acquired separately	-	7,675	7,675
At 30 June 2019	<u>354,637</u>	<u>47,115</u>	<u>401,752</u>
Amortisation			
At 1 July 2018	159,588	27,291	186,879
Amortisation charge	<u>17,732</u>	<u>5,217</u>	<u>22,949</u>
At 30 June 2019	<u>177,320</u>	<u>32,508</u>	<u>209,828</u>
Carrying amount			
At 30 June 2019	<u><u>177,317</u></u>	<u><u>14,607</u></u>	<u><u>191,924</u></u>
At 30 June 2018	<u><u>195,049</u></u>	<u><u>12,149</u></u>	<u><u>207,198</u></u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

14 Tangible assets

Group

	Land and buildings £	Short leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £
Cost or valuation				
At 1 July 2018	4,025,317	53,319	1,247,847	12,855,097
Revaluations	(128,018)	-	-	-
Additions	135,472	-	160,337	821,828
Disposals	-	-	(152,600)	(1,393,700)
At 30 June 2019	<u>4,032,771</u>	<u>53,319</u>	<u>1,255,584</u>	<u>12,283,225</u>
Depreciation				
At 1 July 2018	132,014	41,649	844,461	9,642,320
Charge for the year	53,030	-	119,872	842,822
Eliminated on disposal	-	-	(152,600)	(1,393,699)
Impairment	(22,080)	-	-	-
At 30 June 2019	<u>162,964</u>	<u>41,649</u>	<u>811,733</u>	<u>9,091,443</u>
Carrying amount				
At 30 June 2019	<u>3,869,807</u>	<u>11,670</u>	<u>443,851</u>	<u>3,191,782</u>
At 30 June 2018	<u>3,893,303</u>	<u>11,670</u>	<u>403,386</u>	<u>3,212,777</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

14 Tangible assets (continued)

	Motor vehicles £	Total £
Cost or valuation		
At 1 July 2018	47,489	18,229,069
Revaluations	-	(128,018)
Additions	71,550	1,189,187
Disposals	-	(1,546,300)
At 30 June 2019	<u>119,039</u>	<u>17,743,938</u>
Depreciation		
At 1 July 2018	15,435	10,675,879
Charge for the year	9,112	1,024,836
Eliminated on disposal	-	(1,546,299)
Impairment	-	(22,080)
At 30 June 2019	<u>24,547</u>	<u>10,132,336</u>
Carrying amount		
At 30 June 2019	<u>94,492</u>	<u>7,611,602</u>
At 30 June 2018	<u>32,054</u>	<u>7,553,190</u>

Included within the net book value of land and buildings above is £3,869,807 (2018 - £3,893,303) in respect of freehold land and buildings and £11,670 (2018 - £11,670) in respect of short leasehold land and buildings.

Revaluation

The fair value of the company's land and buildings was revalued on 14 June 2016 by an independent valuer. The basis of this valuation was in accordance with the RICS Appraisal and Valuation Standards and FRS 102.

The valuation of this property was on the basis of Fair Value assuming that the property would be sold as part of the continuing business.

Westley Group Limited: £3,175,000 on 14th June 2016.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £2,869,949 (2018 - £3,124,569).

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

14 Tangible assets (continued)

The fair value of the company's land and buildings was revalued on 18 March 2019 by an independent valuer. The basis of valuation was in accordance with the RICS valuation - Global Standards.

The valuation of this property was on the basis of Fair Value assuming the property would be sold as part of the continuing business.

J Roberts Bronze Components Limited: £700,000 on 18th March 2019.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £506,585 (2018 - £128,567).

Company

	Land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 July 2018	3,320,429	3,093	3,323,522
Additions	12,342	-	12,342
At 30 June 2019	3,332,771	3,093	3,335,864
Depreciation			
At 1 July 2018	107,509	1,976	109,485
Charge for the year	55,455	773	56,228
At 30 June 2019	162,964	2,749	165,713
Carrying amount			
At 30 June 2019	3,169,807	344	3,170,151
At 30 June 2018	3,212,920	1,117	3,214,037

Included within the net book value of land and buildings above is £3,169,807 (2018 - £3,212,920 in respect of freehold land and buildings).

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

15 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>10,567,516</u>	<u>10,567,516</u>

Subsidiaries

Cost or valuation

At 1 July 2018 &
30 June 2019

10,567,516

Carrying amount

At 30 June 2019

10,567,516

At 30 June 2018

10,567,516

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Francis W Birkett & Sons Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%
Walter Frank & Sons Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%
J Roberts Bronze Components Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

15 Investments (continued)

Meighs & Westleys Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%
Spunalloys Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%
Sweetmore Engineering Holdings Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%
Westleys Limited	Doulton Road Cradley Heath West Midlands B64 5QS England	Ordinary Shares	100%	100%

The principal activity of Francis W Birkett & Sons Limited is the manufacture and sale of ferrous and non ferrous castings and provision of finished machining activities.

The principal activity of Walter Frank & Sons Limited is the manufacturing of engineered castings and fire fighting equipment.

The principal activity of J Roberts Bronze Components Limited is a property rental company.

The principal activity of Meighs & Westleys Limited is the manufacture and sale of ferrous and non ferrous castings and provision of finished machining activities.

The principal activity of Spunalloys Limited is the manufacture and sale of ferrous and non ferrous centrifugal castings and provision of finished machining activities.

The principal activity of Sweetmore Engineering Holdings Limited is non-trading

The principal activity of Westleys Limited is non-trading

The profit for the financial period of Francis W Birkett & Sons Limited was £27,887 and the aggregate amount of capital and reserves at the end of the period was £4,274,105.

The profit for the financial period of Walter Frank & Sons Limited was £181,031 and the aggregate amount of capital and reserves at the end of the period was £1,434,764.

The profit for the financial period of J Roberts Bronze Components Limited was £17,465 and the aggregate amount of capital and reserves at the end of the period was £1,043,451.

The profit for the financial period of Meighs & Westleys Limited was £856,144 and the aggregate amount of capital and reserves at the end of the period was £2,833,008.

The profit for the financial period of Spunalloys Limited was £547,758 and the aggregate amount of capital and reserves at the end of the period was £3,290,786.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

15 Investments (continued)

The profit for the financial period of Sweetmore Engineering Holdings Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1,949,053.

The profit for the financial period of Westleys Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1,189,747.

16 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	3,050,477	3,921,646	-	-
Work in progress	2,319,415	2,168,622	-	-
Finished goods and goods for resale	1,046,815	1,139,905	-	-
	<u>6,416,707</u>	<u>7,230,173</u>	<u>-</u>	<u>-</u>

Group

17 Debtors

		Group		Company	
	Note	2019	2018	2019	2018
		£	£	£	£
Trade debtors		7,015,896	7,451,109	-	-
Amounts owed by related parties	25	-	79,813	458,222	79,809
Other debtors		1,697,335	1,623,548	1,551,423	1,495,250
Prepayments		634,285	543,834	41,134	31,381
Income tax asset	12	-	480,332	-	-
		<u>9,347,516</u>	<u>10,178,636</u>	<u>2,050,779</u>	<u>1,606,440</u>

18 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash on hand	3,763	3,304	-	-
Cash at bank	<u>3,308,183</u>	<u>4,023,566</u>	<u>186,050</u>	<u>151,006</u>
	3,311,946	4,026,870	186,050	151,006
Bank overdrafts	<u>(4,308,188)</u>	<u>(6,966,131)</u>	<u>(445,444)</u>	<u>(1,427,984)</u>
Cash and cash equivalents in statement of cash flows	<u>(996,242)</u>	<u>(2,939,261)</u>	<u>(259,394)</u>	<u>(1,276,978)</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

19 Creditors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Due within one year					
Loans and borrowings	22	4,583,893	7,179,250	648,777	1,594,651
Trade creditors		4,706,866	5,141,813	28,306	-
Amounts due to related parties	25	176,679	-	5,700,328	3,608,213
Social security and other taxes		722,426	593,928	11,433	9,536
Outstanding defined contribution pension costs		44,307	-	-	-
Other payables		653,780	677,685	138,586	300,762
Accruals		707,339	1,154,340	224,487	203,471
Income tax liability	12	-	600,168	-	491,326
		<u>11,595,290</u>	<u>15,347,184</u>	<u>6,751,917</u>	<u>6,207,959</u>
Due after one year					
Loans and borrowings	22	<u>2,546,385</u>	<u>2,153,289</u>	<u>2,388,334</u>	<u>2,041,666</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £218,562 (2018 - £145,297).

Contributions totalling £44,307 (2018 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

J Roberts Bronze Components Ltd Pension and Assurance Scheme

The group operates a pension scheme providing employees of J Roberts Bronze Components Ltd benefits base on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies.

The date of the most recent comprehensive actuarial valuation was 22 August 2019. The valuation was undertaken to meet the requirements of the accounting standard FRS 102 issued by the UK Accounting standards Board.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £4,000 (2018 - £5,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £4,000 (2018 - £5,000).

The most recent Actuarial Valuation was at 30th June 2019. The valuation was prepared by M Frost MIA of Quatro Pensions Consulting Limited.

The policy transactions statement for the scheme year ending 30th June 2019 showed the Policy Market Value at the end of the period amounted to £1,367,000.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2019 £	2018 £
Fair value of scheme assets	1,367,000	1,595,900
Present value of defined benefit obligation	<u>(1,506,000)</u>	<u>(1,715,000)</u>
	(139,000)	(119,100)
Other amounts not recognised in the statement of financial position	<u>26,410</u>	<u>22,610</u>
Defined benefit pension scheme deficit	<u>(112,590)</u>	<u>(96,490)</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

20 Pension and other schemes (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2019 £
Present value at start of year	1,715,000
Interest cost	45,000
Remeasurement gain/(losses) on defined benefit obligations	104,000
Benefits paid	<u>(358,000)</u>
Present value at end of year	<u><u>1,506,000</u></u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2019 £
Fair value at start of year	1,595,900
Interest income	41,000
Remeasurement gains/(losses) on assets	62,900
Employer contributions	25,200
Benefits paid	<u>(358,000)</u>
Fair value at end of year	<u><u>1,367,000</u></u>

Analysis of assets

The major categories of scheme assets are as follows:

	2019 £	2018 £
Cash and cash equivalents	196,000	221,900
Equity instruments	642,000	720,000
Property	50,000	93,000
Investment funds	<u>479,000</u>	<u>561,000</u>
	<u><u>1,367,000</u></u>	<u><u>1,595,900</u></u>

Return on scheme assets

	2019 £	2018 £
Return on scheme assets	<u>104,000</u>	<u>44,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

20 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2019 %	2018 %
Discount rate	2.50	2.90
Future pension increases	2.50	3.20
Inflation	<u>3.40</u>	<u>3.30</u>

Post retirement mortality assumptions

	2019 Years	2018 Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	<u>24.00</u>	<u>24.00</u>

21 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary Shares of £0.10 each	<u>606,464</u>	<u>60,646.40</u>	<u>606,464</u>	<u>60,646.40</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

22 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	2,388,334	2,041,666	2,388,334	2,041,666
Finance lease liabilities	158,051	111,623	-	-
	<u>2,546,385</u>	<u>2,153,289</u>	<u>2,388,334</u>	<u>2,041,666</u>

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Current loans and borrowings				
Bank borrowings	203,333	166,667	203,333	166,667
Bank overdrafts	4,308,188	6,966,131	445,444	1,427,984
Finance lease liabilities	72,372	46,452	-	-
	<u>4,583,893</u>	<u>7,179,250</u>	<u>648,777</u>	<u>1,594,651</u>

Group

Bank borrowings

Bank loan is denominated in £ sterling with a nominal interest rate of 2.7575%, and the final instalment is due on 28 June 2028. The carrying amount at year end is £2,388,334 (2018 - £2,041,666).

The company has given a debenture to Barclays Bank Plc to secure all monies due or to become due from the company and its subsidiaries to the charge on any account whatsoever. Interest is payable at normal commercial rates.

23 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	72,372	46,452
Later than one year and not later than five years	68,172	46,452
Later than five years	89,879	65,171
	<u>230,423</u>	<u>158,075</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

23 Obligations under leases and hire purchase contracts (continued)

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	170,098	197,247
Later than one year and not later than five years	189,508	307,926
Later than five years	25,000	25,000
	<u>384,606</u>	<u>530,173</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £225,341 (2018 - £207,397).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	22,933	24,894
Later than one year and not later than five years	43,240	49,613
	<u>66,173</u>	<u>74,507</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £29,094 (2018 - £34,722).

24 Dividends

	2019 £	2018 £
Final dividend of £0.225 (2018 - £0.225) per ordinary share	<u>272,909</u>	<u>272,909</u>

Westley Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)

25 Related party transactions

Group

Loans to related parties

	Key management £	Other related parties £
2019		
At start of period	1,400,000	44,000
	Key management £	Other related parties £
2018		
Advanced	1,400,000	44,000

Company

Summary of transactions with other related parties

The company has taken advantage of the exemptions in FRS 102 "Related Party Transactions" from disclosing transactions with other members of the group.

Loans to related parties

	Key management £	Other related parties £
2019		
At start of period	1,400,000	44,000
	Key management £	Other related parties £
2018		
Advanced	1,400,000	44,000

26 Parent and ultimate parent undertaking

The company's immediate parent is Musgrave Holdings Limited, incorporated in England.

The most senior parent entity producing publicly available financial statements is Musgrave Holdings Limited. These financial statements are available upon request from

Doulton Road
Cradley Heath
West Midlands
B64 5QS