

**WOOLLEY GMC ENGINEERING COMPANY LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

Burrows Scarborough Limited  
(Statutory Auditor)  
Sovereign House  
12 Warwick Street  
Coventry  
CV5 6ET

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**WOOLLEY GMC ENGINEERING COMPANY LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2023**

<b>DIRECTORS:</b>	J Cooper B G O'Connor C R F Shield
<b>SECRETARY:</b>	C R F Shield
<b>REGISTERED OFFICE:</b>	365 Fosse Way Syston Leicestershire LE7 1NL
<b>REGISTERED NUMBER:</b>	01352834 (England and Wales)
<b>AUDITORS:</b>	Burrows Scarborough Limited (Statutory Auditor) Sovereign House 12 Warwick Street Coventry CV5 6ET
<b>BANKERS:</b>	Lloyds Bank plc 30 High Street Coventry CV1 5RA

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their strategic report for the year ended 30 June 2023.

The principal activity of the company in the year under review was that of production and precision engineering of machined castings and assemblies.

**REVIEW AND ANALYSIS OF BUSINESS**

The company has performed well over this period with consistent margins and healthy levels of turnover following contract wins as outlined in last years report. Despite the ongoing challenges in the global economy via interest rates, energy costs and the war in Ukraine, customer volumes have remained at a reasonable level and tight cost management along with high levels of operational performance have delivered another positive year for the business.

The management look forward to the future with a high level of confidence and are investing in the business to secure its future success via a number of recently awarded customer contracts.

Since last year the business has continued working with its sister company Industrieel Toeleveringsbedrijf Goddeeris NV (Goddeeris Machining) in Belgium, as part of a strategic growth plan into Europe and risk mitigation for Brexit. Whilst challenges remain in the European marketplace, customer relationships are continuing to deliver significant new business for the company for the coming years.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks and uncertainties affecting the company are considered to relate to competition from overseas suppliers, global demand for our customer products and raw material costs. The company is well positioned with a capable supply chain, strong workforce and management team and growing reserves to meet these challenges allowing continual investment into the future.

Issues around Brexit have largely been resolved and this is no longer considered a major risk to the business.

In the last 12 months inflationary costs via labour and energy pricing have been a major factor to manage. Energy costs, whilst still higher than "Pre War" in the Ukraine, have started to stabilise and are expected to soften into 2024. However, the tight labour market and cost-of-living levels for our employees has continued to be a major factor leading to increasing labour costs. The business has robust processes to either mitigate such costs through productivity gains, or seek recovery from our customers via mutually agreed pricing adjustments which should prevent any significant impact to the business' trading performance moving forward.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Turnover for the year to 30 June 2023 had risen by 40.42% compared to the year to 30 June 2022. The directors are satisfied with the overall level of turnover.

The gross margin for 2023 of 25.5% is compared to last years margin of 25.8%.

Operating profit is £1,398,494 compared to the prior year's £754,168.

During the period under review, the company's net assets have increased from £8,317k to £9,456 and the company's closing cash balance was £2,314k compared to £1,300k at June 2022.

**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

28 February 2024

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report with the financial statements of the company for the year ended 30 June 2023.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2023.

**RESEARCH AND DEVELOPMENT**

The company is continuing to invest in research and development to provide class leading products to its customers that are at the forefront of innovation and the latest manufacturing methods.

**FUTURE DEVELOPMENTS**

The directors have assessed the liquidity requirements for the coming 12 months and have not identified any matters which would impact going concern. Liquidity is high in the business and this is expected to continue. The business has maintained profitability and strong cash generation since the post accounting year end.

The company's operating results in 2023/2024 will depend on global economic conditions which remain a concern however healthy orders continue to be received and new orders are coming through, as companies review their supply chains.

The company continues to focus on cost reduction and optimising production to meet current demand. The directors are confident that the fundamentals of the company's business give opportunities to explore long term growth and ongoing profitability in the future.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

J Cooper  
B G O'Connor  
C R F Shield

**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 agree policies for managing each of these risks and they are summarized below. The policies have remained unchanged from previous years.

**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.

**Interest rate risk**

The company finances its operations through a mixture of retained profits, invoice discounting, hire purchase and inter-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 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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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 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, Burrows Scarborough Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

C R F Shield - Director

28 February 2024

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WOOLLEY GMC ENGINEERING COMPANY LIMITED**

### **Opinion**

We have audited the financial statements of Woolley GMC Engineering Company Limited (the 'company') for the year ended 30 June 2023 which comprise the Statement of 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 30 June 2023 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.

### **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.

### **Conclusions 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.

### **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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WOOLLEY GMC ENGINEERING COMPANY LIMITED**

### **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:

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the company's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- enquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the health and safety legislation, FRS 102, the Companies Act 2006 and tax law. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included:

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and assessing whether the judgements made in making accounting estimates are indicative of potential bias.
- Enquiring of management around actual and potential litigation and claims, including health and safety.
- Enquiring of company's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of management.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WOOLLEY GMC ENGINEERING COMPANY LIMITED**

**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.

Adam Bexon MChem FCA (Senior Statutory Auditor)  
for and on behalf of Burrows Scarborough Limited  
(Statutory Auditor)  
Sovereign House  
12 Warwick Street  
Coventry  
CV5 6ET

28 February 2024

**STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	3	15,000,331	10,683,093
Cost of sales		<u>11,177,230</u>	<u>7,922,933</u>
<b>GROSS PROFIT</b>		3,823,101	2,760,160
Administrative expenses		<u>2,427,109</u>	<u>2,005,992</u>
		1,395,992	754,168
Other operating income		<u>2,503</u>	<u>-</u>
<b>OPERATING PROFIT</b>	5	1,398,495	754,168
Write down of group intercompany loan	7	<u>49,332</u>	<u>(342,264)</u>
		1,447,827	411,904
Interest receivable and similar income		<u>655</u>	<u>1,023</u>
		1,448,482	412,927
Interest payable and similar expenses	8	<u>41,447</u>	<u>7,857</u>
<b>PROFIT BEFORE TAXATION</b>		1,407,035	405,070
Tax on profit	9	<u>267,641</u>	<u>121,271</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,139,394	283,799
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,139,394</u>	<u>283,799</u>

**BALANCE SHEET**  
**30 JUNE 2023**

	Notes	2023 £	£	2022 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,579,708		1,451,713
<b>CURRENT ASSETS</b>					
Stocks	11	1,254,561		1,416,696	
Debtors	12	7,642,425		7,224,782	
Cash at bank and in hand		<u>2,314,011</u>		<u>1,299,916</u>	
		11,210,997		9,941,394	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>3,220,653</u>		<u>2,851,343</u>	
<b>NET CURRENT ASSETS</b>			<u>7,990,344</u>		<u>7,090,051</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			9,570,052		8,541,764
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		-		(224,279)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(113,173)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>9,456,879</u>		<u>8,317,485</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		125		125
Share premium	19		279,808		279,808
Capital redemption reserve	19		98		98
Retained earnings	19		<u>9,176,848</u>		<u>8,037,454</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>9,456,879</u>		<u>8,317,485</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2024 and were signed on its behalf by:

C R F Shield - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 July 2021</b>	125	7,753,655	279,808	98	8,033,686
<b>Changes in equity</b>					
Total comprehensive income	-	283,799	-	-	283,799
<b>Balance at 30 June 2022</b>	125	8,037,454	279,808	98	8,317,485
<b>Changes in equity</b>					
Total comprehensive income	-	1,139,394	-	-	1,139,394
<b>Balance at 30 June 2023</b>	125	9,176,848	279,808	98	9,456,879

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**1. STATUTORY INFORMATION**

Woolley GMC Engineering Company 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.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the company in the year under review was that of production and precision engineering of machined castings and assemblies. The company's principal place of business is 169 Torrington Ave, Coventry CV4 9AP.

The accounts are rounded to the nearest £1.

**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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see below).

The following principal accounting policies have been applied:

**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 requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

The company is a wholly owned subsidiary of Woolley GMC Engineering Holdings Limited and is included in the consolidated financial statements of Woolley GMC Engineering Holdings Limited, which are publicly available.

**Significant judgements and estimates**

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in these accounting policies and/or the notes to the financial statements and the key areas are summarized below:

**Judgements in applying accounting policies**

The directors must judge whether all the conditions required for turnover to be recognised in the profit and loss account of the financial year, as set out in the Turnover accounting policy, have been met.

**Sources of estimation uncertainty**

Depreciation rates are based on estimates of the useful lives and residual values of the assets involved (see the Tangible fixed assets accounting policy). Slow moving stock provisions are based on estimates of the likely recoverable amounts (see the Stocks accounting policy). Trade debtors are stated after making provision for an estimate of the irrecoverable debts.

**Turnover**

Turnover represents revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on despatch of goods.

**Interest and dividends receivable**

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their expected residual value over their estimated useful lives, on the following basis:

Short leasehold property	- 10% on cost
Plant & machinery	- 7 years on cost
Motor vehicles	- 30% reducing balance
Fixtures & fittings	- 7 years on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**Financial instruments**

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and creditors, loans from third parties and loans to and from related parties.

Debt instruments that are payable or receivable within one year (which includes all debt instruments included in the financial statements) are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

**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.

**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.

**Research and development**

Expenditure on research and development is charged to the Profit and Loss Account in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

**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 paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**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.

The amount recognised in the profit & loss account as an expense for defined contribution pension plans is shown in the 'Employees and Directors' note.

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2023 £	2022 £
United Kingdom	14,181,000	9,944,634
Europe	671,044	561,712
Rest of the world	148,287	176,747
	<u>15,000,331</u>	<u>10,683,093</u>

4. EMPLOYEES AND DIRECTORS

	2023 £	2022 £
Wages and salaries	1,996,145	1,851,047
Social security costs	193,086	185,664
Other pension costs	72,814	51,978
	<u>2,262,045</u>	<u>2,088,689</u>

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

	2023	2022
Production staff	44	53
Office and management	17	17
Directors	<u>2</u>	<u>2</u>
	<u>63</u>	<u>72</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

4. **EMPLOYEES AND DIRECTORS - continued**

	2023	2022
	£	£
Directors' remuneration	289,200	239,484
Directors' pension contributions to money purchase schemes	<u>2,642</u>	<u>2,642</u>

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

	2023	2022
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	158,731	108,630
Pension contributions to money purchase schemes	<u>1,321</u>	<u>1,321</u>

5. **OPERATING PROFIT**

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

	2023	2022
	£	£
Hire of plant and machinery	7,306	7,351
Depreciation - owned assets	376,523	79,206
Depreciation - assets on hire purchase contracts	3,000	190,302
Profit on disposal of fixed assets	(40,000)	(308,649)
Foreign exchange differences	5,893	10,919
Other operating lease rentals	<u>170,000</u>	<u>170,000</u>

6. **AUDITORS' REMUNERATION**

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	11,500	10,300
Total audit fees	<u>11,500</u>	<u>10,300</u>

7. **EXCEPTIONAL ITEMS**

	2023	2022
	£	£
Write down of group intercompany loan	<u>49,332</u>	<u>(342,264)</u>

The exceptional profit of £49,332 (2022: cost of £342,264) relates to the write back (2022: write down) of a loan with a fellow group company.

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank loan interest	-	1,941
Hire purchase	41,447	5,916
	<u>41,447</u>	<u>7,857</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**9. TAXATION****Analysis of the tax charge**

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

	2023 £	2022 £
Current tax:		
UK corporation tax	158,983	-
Prior year adjustment	(12,532)	-
Total current tax	<u>146,451</u>	<u>-</u>
Timing differences, origination and reversed	121,190	121,271
Tax on profit	<u>267,641</u>	<u>121,271</u>

UK corporation tax has been charged at 20.50% (2022 - 19%).

**Reconciliation of total tax charge 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:

	2023 £	2022 £
Profit before tax	<u>1,407,035</u>	<u>405,070</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.490% (2022 - 19%)	288,301	76,963
Effects of:		
Expenses not deductible for tax purposes	(10,113)	69,768
Adjustments to tax charge in respect of previous periods	(12,531)	-
Enhanced capital allowances	(21,946)	(26,047)
Effect of change in deferred taxation rate	24,122	587
Miscellaneous adjustment	(192)	-
Total tax charge	<u>267,641</u>	<u>121,271</u>

The deferred tax charge of £121,190 relates to the origination and reversal of timing differences on accelerated capital allowances (charge of £96,329) and utilisation of tax losses of £24,861 in the current year.

Deferred tax is included in the balance sheet is as follows:

	2023 £	2022 £
Included in Debtors: amounts falling due within one year	-	8,017
Included in Creditors: amounts falling due within one year	113,173	-
Consisting of:		
Accelerated capital allowances	(113,173)	(16,844)
Taxable losses	-	24,861

The expectation is that a reduction in accelerated capital allowances deferred tax liability of £47,252 will be observed in the next financial year. This consists of the capital allowances that will be claimed in excess of the depreciation that will be charged in the year to 30th June 2024 on the specific assets on the balance sheet at 30th June 2023 that are eligible for capital allowances.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 July 2022	244,811	7,940,435	597,297	48,788	8,831,331
Additions	-	500,988	6,530	-	507,518
Disposals	-	(139,366)	-	-	(139,366)
At 30 June 2023	<u>244,811</u>	<u>8,302,057</u>	<u>603,827</u>	<u>48,788</u>	<u>9,199,483</u>
<b>DEPRECIATION</b>					
At 1 July 2022	208,146	6,569,842	567,022	34,608	7,379,618
Charge for year	10,404	355,667	8,652	4,800	379,523
Eliminated on disposal	-	(139,366)	-	-	(139,366)
At 30 June 2023	<u>218,550</u>	<u>6,786,143</u>	<u>575,674</u>	<u>39,408</u>	<u>7,619,775</u>
<b>NET BOOK VALUE</b>					
At 30 June 2023	<u>26,261</u>	<u>1,515,914</u>	<u>28,153</u>	<u>9,380</u>	<u>1,579,708</u>
At 30 June 2022	<u>36,665</u>	<u>1,370,593</u>	<u>30,275</u>	<u>14,180</u>	<u>1,451,713</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 July 2022	793,680	20,833	814,513
Transfer to ownership	<u>(793,680)</u>	<u>(20,833)</u>	<u>(814,513)</u>
At 30 June 2023	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEPRECIATION</b>			
At 1 July 2022	168,822	12,458	181,280
Charge for year	-	3,000	3,000
Transfer to ownership	<u>(168,822)</u>	<u>(15,458)</u>	<u>(184,280)</u>
At 30 June 2023	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 30 June 2023	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2022	<u>624,858</u>	<u>8,375</u>	<u>633,233</u>

11. STOCKS

	2023 £	2022 £
Raw materials and consumables	658,067	594,966
Work-in-progress	199,457	108,100
Finished goods	<u>397,037</u>	<u>713,630</u>
	<u>1,254,561</u>	<u>1,416,696</u>

The replacement cost of stocks is not materially different from the value stated above.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	2,983,707	2,572,303
Amounts owed by group undertakings	903,040	815,180
Other debtors	-	35,306
Loans to related parties	3,573,471	3,573,474
Tax	90,205	122,705
Deferred taxation	-	8,017
Prepayments	92,002	97,797
	<u>7,642,425</u>	<u>7,224,782</u>

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Hire purchase contracts (see note 15)	-	128,258
Trade creditors	2,115,352	1,785,715
Amounts owed to group undertakings	178,955	178,955
Social security and other taxes	200,874	132,135
Other creditors	2,235	1,418
Loans from related parties	325,751	325,754
Accruals and deferred income	397,486	299,108
	<u>3,220,653</u>	<u>2,851,343</u>

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Hire purchase contracts (see note 15)	<u>-</u>	<u>224,279</u>

15. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Net obligations repayable:		
Within one year	-	128,258
Between one and five years	<u>-</u>	<u>224,279</u>
	<u>-</u>	<u>352,537</u>

Leasing arrangements consist of hire purchase contracts.

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts	<u>-</u>	<u>352,537</u>

A mortgage over specific items of plant & machinery was granted in favour of Lloyds Bank plc on 20th July 2018.

A fixed and floating charge has been registered by National Westminster Bank Plc dated 8th September 2020 over all the property or undertakings of the company.

17. **PROVISIONS FOR LIABILITIES**

	2023	2022
	£	£
Deferred tax	<u>113,173</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

17. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Charge to Statement of Comprehensive Income during year	113,173
Balance at 30 June 2023	<u>113,173</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2023 £ <u>125</u>	2022 £ <u>125</u>
125	Ordinary			

The Ordinary shares carry full voting rights and full capital participation on sale or winding up of the company. The dividend rights on the Ordinary shares are at the directors discretion. There are no restrictions or specific preferences on the Ordinary shares.

19. **RESERVES**

**Share premium account**

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Capital redemption reserve**

A capital redemption reserve arises in relation to redemption or purchase and cancellation of a company's own shares. For purposes of a capital reduction under CA 2006, this reserve is treated as part of 'capital'.

**Profit and loss account**

This includes all current and prior period retained profit and losses.

20. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £72,814 (2022 £51,978).

No contributions were outstanding to the pension scheme at 30 June 2023 (2022 £0).

21. **CAPITAL COMMITMENTS**

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>573,000</u>

22. **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.

**Other related parties**

	2023 £	2022 £
Sales	264,729	131,888
Purchases	283,838	351,769
Amount due from related parties	3,744,781	3,585,462
Amount due to related parties	<u>388,193</u>	<u>381,985</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

22. **RELATED PARTY DISCLOSURES - continued**

Other related parties represent other entities under the control of C R F Shield.

23. **ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is controlled by its parent company, Woolley GMC Engineering Holdings Limited, which is controlled by C R F Shield. The registered office of the parent company is Third Floor, Two Colton Square, Leicester, Leicestershire, LE1 1QH.

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