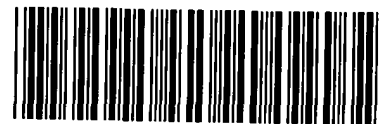


REGISTERED NUMBER: 01420683 (England and Wales)

Financial Statements
for the Year Ended 31 December 2019
for
H. I. Quality Steel Castings Limited

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for the Year Ended 31 December 2019

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Company Information
for the Year Ended 31 December 2019

DIRECTORS:

R G Radford
D S Beniston
S P Murphy
Mrs K J Mason

SECRETARY:

S P Murphy

REGISTERED OFFICE:

Trinity Works
Foundry Street
Whittington Moor
Chesterfield
Derbyshire
S41 9AX

REGISTERED NUMBER:

01420683 (England and Wales)

AUDITORS:

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

BANKERS:

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

Balance Sheet
31 December 2019

	Notes	31.12.19 £	£	31.12.18 £	£
FIXED ASSETS					
Tangible assets	4		441,793		162,609
CURRENT ASSETS					
Stocks		1,308,829		1,247,023	
Debtors	5	3,208,539		1,956,642	
Cash in hand		174,285		138,336	
		<u>4,691,653</u>		<u>3,342,001</u>	
CREDITORS					
Amounts falling due within one year	6	<u>2,709,740</u>		<u>2,309,742</u>	
NET CURRENT ASSETS			<u>1,981,913</u>		<u>1,032,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,423,706</u>		<u>1,194,868</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>2,423,606</u>		<u>1,194,768</u>
SHAREHOLDERS' FUNDS			<u>2,423,706</u>		<u>1,194,868</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 28/9/2020 and were signed on its behalf by:


S P Murphy - Director

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

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

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

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Management have considered the impact of coronavirus Covid-19 on customers, suppliers and staff and in making its assessment, management have prepared detailed forecasts for a period extending beyond 12 months from the date that these financial statements are approved and they consider that the company will continue to operate within its current facilities.

Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for customer returns, rebates or other similar allowances and is net of value added taxes. Turnover includes revenue earned from the sale of goods.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction can be measured reliably.

Specifically, revenue from the sale of goods is primarily recognised upon delivery of goods to customers.

Tangible fixed assets

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

- | | |
|-------------------------|--|
| Plant and machinery etc | - 33% on cost, 25% on reducing balance, 25% on cost, 20% on cost and 15% on cost |
|-------------------------|--|

Stocks

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

Derivative financial instruments

Derivatives, including forward foreign exchange contracts are not basic financial instruments.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account unless they are included in a hedging arrangement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

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.

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.

Hire purchase and leasing commitments

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 103 (2018 - 89).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2019	603,321
Additions	337,915
At 31 December 2019	<u>941,236</u>
DEPRECIATION	
At 1 January 2019	440,712
Charge for year	58,731
At 31 December 2019	<u>499,443</u>
NET BOOK VALUE	
At 31 December 2019	<u>441,793</u>
At 31 December 2018	<u>162,609</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade debtors	2,432,887	1,372,806
Amounts owed by group undertakings	301,500	1,717
Other debtors	474,152	582,119
	<u>3,208,539</u>	<u>1,956,642</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Bank loans and overdrafts	581,138	241,492
Trade creditors	1,531,822	1,689,776
Taxation and social security	103,365	89,061
Other creditors	493,415	289,413
	<u>2,709,740</u>	<u>2,309,742</u>

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.19 £	31.12.18 £
Within one year	25,583	39,687
Between one and five years	2,933	27,636
	<u>28,516</u>	<u>67,323</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.19	31.12.18
	£	£
Bank overdrafts	<u>581,138</u>	<u>241,492</u>

The bank overdraft represents the firm's invoice discounting facility, which is secured against trade debtors.

9. FINANCIAL INSTRUMENTS

The company enters into forward foreign currency contracts to mitigate the exchange risk for certain foreign currency receivables. At 31 December 2019 the outstanding contracts all mature within 6 months of the year end. The company is committed to buy \$nil and pay fixed sterling amounts of £nil (2018: \$1,151,000; £856,523).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are forward exchange rates for GBP:USD. The fair value losses of the foreign currency contracts are £ni (2018: £47,640 loss).

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

R L Mander (Senior Statutory Auditor)
for and on behalf of Mander Duffill

11. CONTINGENT LIABILITIES

The company is involved in the Value Added Tax Group election under s29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31 December 2019 tax owed by the group was £59,337 (31 December 2018: £93,379 owed by the group).

The company together with other group undertakings are also part of an agreement with Barclays Bank Plc, whereby balances with the bank are subject to joint and several guarantees. The bank has a fixed and floating charge over all of the Company's assets.

12. 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.

13. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S P Murphy.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

14. ULTIMATE PARENT COMPANY

The immediate parent company of this company is North Midlands Castings Limited, a company registered in England and Wales.

The ultimate parent undertaking is Ryder Court Investments Limited. Ryder Court Investments Limited is the largest group for which consolidated financial statements are drawn up of which the company is a member. The financial statements are available from Cardiff House, Cardiff Road, Barry, Vale of Glamorgan. CF63 2AW.