

Unaudited Financial Statements for the Year Ended 31 December 2020

for

Service Metals (South) Limited

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for the Year Ended 31 December 2020**

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Service Metals (South) Limited (Registered number: 02107615)

**Balance Sheet
31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Tangible assets	4		92,204		119,621
CURRENT ASSETS					
Stocks		479,471		515,012	
Debtors	5	569,471		708,824	
Cash at bank and in hand		617,672		500,088	
		<u>1,666,614</u>		<u>1,723,924</u>	
CREDITORS					
Amounts falling due within one year	6	<u>938,380</u>		<u>1,096,348</u>	
NET CURRENT ASSETS			<u>728,234</u>		<u>627,576</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			820,438		747,197
CREDITORS					
Amounts falling due after more than one year	7		-		(1,388)
PROVISIONS FOR LIABILITIES			<u>(3,711)</u>		<u>(5,889)</u>
NET ASSETS			<u>816,727</u>		<u>739,920</u>
CAPITAL AND RESERVES					
Called up share capital			8,650		8,650
Capital redemption reserve			1,350		1,350
Retained earnings			<u>806,727</u>		<u>729,920</u>
SHAREHOLDERS' FUNDS			<u>816,727</u>		<u>739,920</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 December 2020

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2021 and were signed on its behalf by:

G P Wilson - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

Service Metals (South) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 02107615

Registered office: Howley Park Industrial Estate
Howley Park Road East
Morley
West Yorkshire
LS27 0BN

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

The UK remains affected by the ongoing COVID-19 pandemic, which has brought with it restrictions on our daily lives and business challenges. The directors have taken all precautions necessary to safeguard the health and safety of its workers and members of the public.

Whilst our business experienced a reduction in customer activity in 2020 it took steps to reduce discretionary expenditure and made use of the UK government's package of financial assistance, particularly the Coronavirus Job Retention Scheme at the start of the pandemic. The later part of the year sales were back to pre-pandemic levels and have continued through to the new 2021 trading year. As a result the business is forecast to continue to be profitable in 2021 and beyond, all within its current financing facilities. Consequently The directors have no significant concerns over its continuing operational existence and therefore continues to adopt the going concern basis of preparing its annual financial statements.

Significant judgements and estimates

The company has not applied any significant judgements or estimates which could have a significant effect on the amounts recognised in its financial statements.

Turnover

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

Revenue from the sale of goods is recognised when goods are delivered and legal title passes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write down or loss occurs. The amount of any reversal of any write down of stocks is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction costs, including transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 17 (2019 - 18) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2020	102,008	400,748	502,756
Additions	2,646	-	2,646
At 31 December 2020	104,654	400,748	505,402
DEPRECIATION			
At 1 January 2020	90,739	292,396	383,135
Charge for year	2,976	27,087	30,063
At 31 December 2020	93,715	319,483	413,198
NET BOOK VALUE			
At 31 December 2020	10,939	81,265	92,204
At 31 December 2019	11,269	108,352	119,621

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

	Motor vehicles £
COST	
At 1 January 2020 and 31 December 2020	29,508
DEPRECIATION	
At 1 January 2020	12,910
Charge for year	4,150
At 31 December 2020	17,060
NET BOOK VALUE	
At 31 December 2020	12,448
At 31 December 2019	16,598

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	533,831	667,419
Other debtors	-	3,423
Prepayments	35,640	37,982
	569,471	708,824

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

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

	31.12.20	31.12.19
	£	£
Hire purchase contracts	1,388	1,666
Trade creditors	632,586	767,425
Tax	20,195	10,184
Social security and other taxes	15,850	15,046
VAT	40,314	40,328
Accrued expenses	228,047	261,699
	<u>938,380</u>	<u>1,096,348</u>

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

	31.12.20	31.12.19
	£	£
Hire purchase contracts	<u>-</u>	<u>1,388</u>

8. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Hire purchase contracts	<u>1,388</u>	<u>3,054</u>

There is a cross guarantee in connection with the banking facilities of all related and group companies as follows:- Gablesea Limited, Gablesea Glassfibre Limited, Servemet (NW) Limited, Service Metals (Midlands) Limited, Service Metals (South) Limited, Service Metals (North) Limited, Service Metals (East Anglia) Limited, Euro Transport Manufacturing Limited, Switchblade Metals Limited, J B Components Limited, Service Metals (Ireland) Limited. The amount of overdraft guaranteed in respect of all related and group companies is £2,000,000 at the date of producing these financial accounts. In addition the company also have a debenture on all assets of the company dated 28/10/1992.

Hire purchase balances are secured against the assets to which they relate.

**Chartered Certified Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Service Metals (South) Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Service Metals (South) Limited for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of Service Metals (South) Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Service Metals (South) Limited and state those matters that we have agreed to state to the Board of Directors of Service Metals (South) Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Service Metals (South) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Service Metals (South) Limited. You consider that Service Metals (South) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Service Metals (South) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Frank W Dobby & Co Limited
Chartered Certified Accountants
55 Fountain Street
Morley
Leeds
West Yorkshire
LS27 0AA

28 September 2021

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.