

# Meighs & Westleys Limited

Annual Report and Financial Statements  
for the Year Ended 30 June 2023

Walker Hubble  
5 Parsons Street  
Dudley  
West Midlands  
DY1 1JJ

# Meighs & Westleys Limited

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# **Meighs & Westleys Limited**

## **Company Information**

**Directors** Mr Michael James Richards  
Mr Robert John Salisbury  
Mr James Michael Salisbury

**Registered office** Doulton Road  
Cradley Heath  
West Midlands  
B64 5QS

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

# **Meighs & Westleys Limited**

## **Strategic Report for the Year Ended 30 June 2023**

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

### **Principal activity**

The principal activity of the company is the manufacture and supply of non-ferrous castings in finished machined and un-machined states.

### **Fair review of the business**

The financial year ending 30 June 2023 saw a significant improvement on the previous year with the company increasing its EBITDA by £1.5m from the prior year. This improvement in performance was due to increased activity levels following improving order intake towards the end of the last financial year which continued into this financial year. Order intake in this financial year was 24% higher than the prior year. The previous financial year was negatively impacted by a lack of work, particularly in the first half, partly an impact of the contraction of the global economy due to the Covid-19 pandemic.

The company benefited from working on some material contracts in the naval defence market during the year (particularly when compared to the prior year) and this has contributed to the increased revenue and margins. Further the re-opening of the world post the Covid-19 pandemic, was a contributing factor in increasing export revenue by 62% compared to the prior year. Furthermore, the company had the benefit of a large contract for the niche market of art and architectural castings, a market which the company has a particularly unique skill offering. This material contract will run into the next financial year.

The Directors are pleased with the overall performance and expect the company to carry this strong performance into the next financial year when a major contract within the Naval Defence market, which the company is on contract to supply should see large tranches of work released to production which will have a beneficial impact on profitability.

## Meighs & Westleys Limited

### Strategic Report for the Year Ended 30 June 2023 (continued)

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

| Financial KPIs                    | Unit | 2023       | 2022       |
|-----------------------------------|------|------------|------------|
| Turnover                          | £    | 19,547,468 | 17,011,520 |
| Turnover per employee             | £    | 153,917    | 136,092    |
| Gross Profit                      | £    | 4,765,263  | 3,229,149  |
| Gross Profit %                    | %    | 24         | 19         |
| EBITDA (before exceptional items) | £    | 2,095,761  | 581,974    |
| EBITDA %                          | %    | 11         | 3          |

#### Principal risks and uncertainties

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

The Company's demand is influenced by external factors within the marketplaces it serves. For example, demand within the oil and gas market, one of the markets the business serves, is materially linked to the price of oil, which fluctuates for lots of reasons including geo-political factors. The business adopts a diversified approach serving several different geographic and industry markets which manages the risk of exposure to demand fluctuations in one specific market.

A significant proportion of the Company's turnover is to export markets. Fluctuating exchange rates therefore provide the business with competitive advantages and disadvantages depending upon the relative strength of the pound. This area of risk is also managed through appropriate use of exchange rate hedging strategies.

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

The Company's operations involve typical health and safety hazards inherent in manufacturing and business operations. The Company is subject to numerous laws and regulations relating to health and safety around the world. Hazards are managed by attending training courses, carrying out risk assessments, introducing appropriate controls and monitoring of activity.

Approved and authorised by the Board on 20 February 2024 and signed on its behalf by:

.....  
Mr Michael James Richards  
Director

# **Meighs & Westleys Limited**

## **Directors' Report for the Year Ended 30 June 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

### **Directors of the company**

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

Mr Michael James Richards

Mr Robert John Salisbury

Mr James Michael Salisbury

### **Financial instruments**

#### ***Objectives and policies***

The company'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 company's policies approved by the board of directors which provide written principles on the use of financial derivatives to manage.

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

##### **Price risk:**

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

##### **Credit risk:**

The company's principle financial assets are bank balances and cash, trade and other receivables.

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

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

##### **Liquidity risk:**

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

### **Environmental matters**

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate related information, with an emphasis on financial disclosure. The Company considers respect for the environment as a core value of the Company. The Company has an approved environmental policy which sets out the guiding principles which it must adopt and observe. Under this policy the Company pursues clear strategic goals, taking into account the available technologies and resources, with the aim of improving environmental performance.

### **Disclosure of information to the auditors**

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

## **Meighs & Westleys Limited**

### **Directors' Report for the Year Ended 30 June 2023 (continued)**

#### **Reappointment of auditors**

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

Approved and authorised by the Board on 20 February 2024 and signed on its behalf by:

.....  
Mr Michael James Richards  
Director

## **Meighs & Westleys 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 United Kingdom 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.



# **Meighs & Westleys Limited**

## **Independent Auditor's Report to the Members of Meighs & Westleys Limited**

### **Opinion**

We have audited the financial statements of Meighs & Westleys Limited (the 'company') for the year ended 30 June 2023, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, 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).

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 auditor 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 director's 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 original financial statements were 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 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.

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.

## **Meighs & Westleys Limited**

### **Independent Auditor's Report to the Members of Meighs & Westleys Limited (continued)**

#### **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 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, 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.

#### **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 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.

#### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations. Our procedures included enquiry of management and performing analytical review procedures to identify any unusual relationships that may indicate a material misstatement. We also tested the appropriateness of journals to address the risk of fraud through management override of controls. We performed appropriate testing in respect of the risk of fraud in revenue recognition through a review of margins, sales cut off procedures and by performing existence and valuation testing on trade debtors.

Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

## **Meighs & Westleys Limited**

### **Independent Auditor's Report to the Members of Meighs & Westleys Limited (continued)**

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 auditor's report.

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

- 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 company'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 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 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 company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company 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.

## **Meighs & Westleys Limited**

### **Independent Auditor's Report to the Members of Meighs & Westleys Limited (continued)**

#### **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 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.

.....  
Gavin Richard Pearson FCCA (Senior Statutory Auditor)  
For and on behalf of Walker Hubble, Statutory Auditor  
5 Parsons Street  
Dudley  
West Midlands  
DY1 1JJ

20 February 2024

# Meighs & Westleys Limited

## Profit and Loss Account and Statement of Retained Earnings for the Year Ended 30 June 2023

|  | Note      | 2023<br>£               | 2022<br>£               |
|--|-----------|-------------------------|-------------------------|
| Turnover                                     | <u>3</u>  | 19,547,468              | 17,011,520              |
| Cost of sales                                |           | <u>(14,782,205)</u>     | <u>(13,782,372)</u>     |
| Gross profit                                 |           | 4,765,263               | 3,229,148               |
| Administrative expenses                      |           | (3,831,159)             | (3,215,451)             |
| Other operating income                       | <u>4</u>  | <u>210,072</u>          | <u>-</u>                |
| Operating profit                             | <u>5</u>  | <u>1,144,176</u>        | <u>13,697</u>           |
| Other interest receivable and similar income | <u>7</u>  | 13                      | -                       |
| Interest payable and similar charges         | <u>8</u>  | <u>76,418</u>           | <u>20,737</u>           |
|  |           | <u>76,431</u>           | <u>20,737</u>           |
| Profit before tax                            |           | 1,220,607               | 34,434                  |
| Taxation                                     | <u>12</u> | <u>(20,735)</u>         | <u>266,598</u>          |
| Profit for the financial year                |           | 1,199,872               | 301,032                 |
| Retained earnings brought forward            |           | <u>6,637,577</u>        | <u>6,336,545</u>        |
| Retained earnings carried forward            |           | <u><u>7,837,449</u></u> | <u><u>6,637,577</u></u> |

# Meighs & Westleys Limited

(Registration number: 06603954)

## Balance Sheet as at 30 June 2023

|   | Note      | 2023<br>£          | 2022<br>£          |
|---|-----------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |           |                    |                    |
| Tangible assets                                       | <u>13</u> | 1,958,239          | 2,134,847          |
| Investments   | <u>14</u> | <u>1</u>           | <u>1</u>           |
|   |           | <u>1,958,240</u>   | <u>2,134,848</u>   |
| <b>Current assets</b>                                 |           |                    |                    |
| Stocks  | <u>15</u> | 5,188,066          | 3,617,636          |
| Debtors   | <u>16</u> | 8,278,173          | 7,286,920          |
| Cash at bank and in hand                              |           | <u>261,710</u>     | <u>1,083,015</u>   |
|   |           | 13,727,949         | 11,987,571         |
| <b>Creditors:</b> Amounts falling due within one year | <u>18</u> | <u>(7,798,740)</u> | <u>(7,434,842)</u> |
| <b>Net current assets</b>                             |           | <u>5,929,209</u>   | <u>4,552,729</u>   |
| <b>Net assets</b>                                     |           | <u>7,887,449</u>   | <u>6,687,577</u>   |
| <b>Capital and reserves</b>                           |           |                    |                    |
| Called up share capital                               |           | 50,000             | 50,000             |
| Retained earnings                                     |           | <u>7,837,449</u>   | <u>6,637,577</u>   |
| Shareholders' funds                                   |           | <u>7,887,449</u>   | <u>6,687,577</u>   |

Approved and authorised by the Board on 20 February 2024 and signed on its behalf by:

.....  
Mr James Michael Salisbury  
Director

# Meighs & Westleys Limited

## Statement of Cash Flows for the Year Ended 30 June 2023

|  | Note      | 2023<br>£   | 2022<br>£   |
|--|-----------|-------------|-------------|
| <b>Cash flows from operating activities</b>              |           |             |             |
| Profit for the year                                      |           | 1,199,872   | 301,032     |
| Adjustments to cash flows from non-cash items            |           |             |             |
| Depreciation and amortisation                            | <u>5</u>  | 875,167     | 547,541     |
| Finance income   | <u>7</u>  | (13)        | -           |
| Income tax expense                                       | <u>12</u> | 20,735      | (266,598)   |
|  |           | 2,095,761   | 581,975     |
| Working capital adjustments                              |           |             |             |
| (Increase)/decrease in stocks                            | <u>15</u> | (1,570,430) | 54,652      |
| Increase in trade debtors                                | <u>16</u> | (1,286,852) | (1,968,711) |
| Increase in trade creditors                              | <u>18</u> | 119,216     | 2,173,291   |
| Decrease in deferred income, including government grants |           | (210,172)   | -           |
| Cash generated from operations                           |           | (852,477)   | 841,207     |
| Income taxes received                                    | <u>12</u> | 274,864     | 98,864      |
| Net cash flow from operating activities                  |           | (577,613)   | 940,071     |
| <b>Cash flows from investing activities</b>              |           |             |             |
| Interest received  | <u>7</u>  | 13          | -           |
| Acquisitions of tangible assets                          |           | (698,559)   | (736,801)   |
| Net cash flows from investing activities                 |           | (698,546)   | (736,801)   |
| <b>Cash flows from financing activities</b>              |           |             |             |
| Payments to finance lease creditors                      |           | (4,010)     | (6,874)     |
| Net (decrease)/increase in cash and cash equivalents     |           | (1,280,169) | 196,396     |
| Cash and cash equivalents at 1 July                      |           | 928,650     | 732,254     |
| Cash and cash equivalents at 30 June                     |           | (351,519)   | 928,650     |

# **Meighs & Westleys Limited**

## **Notes to the Financial Statements for the Year Ended 30 June 2023**

### **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

The principal place of business is:

Holditch Road  
Newcastle-under-Lyme  
Staffordshire  
ST5 9JG

These financial statements were authorised for issue by the Board on 20 February 2024.

### **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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **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.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **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 company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company 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 company's activities.

#### **Government grants**

Government Grants are credited to the Statement of Profit and Loss and Other Comprehensive Income in the financial period in which they have been received so as to match them with the expenditure to which they relate.



# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 2 Accounting policies (continued)

#### Other grants

The MOD is providing support over the lifetime of contracts towards the cost of specialised equipment. The grants are credited to the Statement of Profit and Loss and Other Comprehensive Income over the life of the contracts.

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### 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.

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 company operates and generates taxable income.

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

#### Tangible assets

Tangible assets are stated in the balance sheet 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

Plant and machinery  
Fixtures, fittings and equipment  
Motor vehicles

##### Depreciation method and rate

over 5 to 10 years straight line  
over 3 to 10 years straight line  
over 4 years straight line

# **Meighs & Westleys Limited**

## **Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)**

### **2 Accounting policies (continued)**

#### **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.

#### **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.

#### **Trade 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 company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

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.

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 2 Accounting policies (continued)

#### Trade 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 company 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 company 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.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company 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.

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 2 Accounting policies (continued)

#### Financial instruments

##### *Classification*

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### *Recognition and measurement*

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### *Impairment*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reported end date.

##### *Financial guarantee contracts*

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price and subsequently carried at amortisation cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

### 3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

|               | 2023       | 2022       |
|---------------|------------|------------|
|               | £          | £          |
| Sale of goods | 19,547,468 | 17,011,520 |

The analysis of the company's Turnover for the year by market is as follows:

|               | 2023       | 2022       |
|---------------|------------|------------|
|               | £          | £          |
| UK            | 17,284,681 | 15,615,837 |
| Europe        | 1,592,145  | 943,804    |
| Rest of world | 670,642    | 451,879    |
|               | 19,547,468 | 17,011,520 |

### 4 Other operating income

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

|                   | 2023    | 2022 |
|-------------------|---------|------|
|                   | £       | £    |
| Government grants | 210,072 | -    |

## Meighs & Westleys Limited

### Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

#### 5 Operating profit

Arrived at after charging/(crediting)

|   | 2023    | 2022    |
|---|---------|---------|
|   | £       | £       |
| Depreciation expense                          | 875,167 | 547,541 |
| Operating lease expense - property            | 160,000 | 160,000 |
| Operating lease expense - plant and machinery | 76,833  | 75,613  |

#### 6 Government grants

Government Grants are credited to the Statement of Profit and Loss and Other Comprehensive Income in the financial period in which they are received so as to match them with expenditure to which they relate.

The MOD is providing support over the lifetime of contracts towards the cost of specialised equipment for use on their contracts.

The amount of grants recognised in the financial statements was £210,072 (2022 - £Nil).

#### 7 Other interest receivable and similar income

|                      | 2023 | 2022 |
|----------------------|------|------|
|                      | £    | £    |
| Other finance income | 13   | -    |

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 8 Interest payable and similar expenses

|                         | 2023     | 2022     |
|-------------------------|----------|----------|
|                         | £        | £        |
| Foreign exchange losses | (76,418) | (20,737) |

### 9 Staff costs

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

|  | 2023      | 2022      |
|--|-----------|-----------|
|  | £         | £         |
| Wages and salaries                         | 3,889,469 | 3,502,980 |
| Social security costs                      | 327,861   | 285,765   |
| Pension costs, defined contribution scheme | 94,310    | 86,179    |
| Other employee expense                     | -         | 74,958    |
|  | 4,311,640 | 3,949,882 |

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

|                            | 2023 | 2022 |
|----------------------------|------|------|
|                            | No.  | No.  |
| Production                 | 95   | 93   |
| Administration and support | 32   | 32   |
|                            | 127  | 125  |

### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

| 2023 | 2022 |
|------|------|
| £    | £    |

There has been no directors remuneration included in the financial statements for this year or the previous year, the remuneration of the directors is disclosed in the financial statements of the ultimate controlling party Musgrave Holdings Limited.

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 11 Auditors' remuneration

|                                   | 2023<br>£ | 2022<br>£ |
|-----------------------------------|-----------|-----------|
| Audit of the financial statements | 5,900     | 5,600     |
| <b>Other fees to auditors</b>     |           |           |
| Taxation compliance services      | 1,630     | 1,250     |
| All other assurance services      | 2,465     | 1,548     |
|                                   | 4,095     | 2,798     |

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 12 Taxation

Tax charged/(credited) in the profit and loss account

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| <b>Current taxation</b>                                     |                  |                  |
| UK corporation tax  | (94,543)         | (228,990)        |
| UK corporation tax adjustment to prior periods              | (45,874)         | -                |
|   | <u>(140,417)</u> | <u>(228,990)</u> |
| <b>Deferred taxation</b>                                    |                  |                  |
| Arising from origination and reversal of timing differences | 159,331          | (28,582)         |
| Arising from changes in tax rates and laws                  | 1,821            | (9,026)          |
|   | <u>161,152</u>   | <u>(37,608)</u>  |
| Total deferred taxation                                     | <u>161,152</u>   | <u>(37,608)</u>  |
| Tax expense/(receipt) in the income statement               | <u>20,735</u>    | <u>(266,598)</u> |

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| Profit before tax   | <u>1,220,607</u> | <u>34,434</u>    |
| Corporation tax at standard rate  | 250,176          | 6,542            |
| Effect of revenues exempt from taxation                                       | (724,577)        | (593,270)        |
| Effect of expense not deductible in determining taxable profit (tax loss)     | 337,845          | 258,091          |
| Effect of tax losses  | 144,843          | 300,055          |
| Deferred tax expense/(credit) relating to changes in tax rates or laws        | 1,821            | (9,026)          |
| Increase from effect of tax incentives  | 105,170          | -                |
| Tax decrease from effect of adjustment in research and development tax credit | (94,543)         | (228,990)        |
| Total tax charge/(credit)   | <u>20,735</u>    | <u>(266,598)</u> |



# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 13 Tangible assets

|                          | Fixtures and<br>fittings<br>£ | Plant and<br>machinery<br>£ | Motor vehicles<br>£ | Total<br>£ |
|--------------------------|-------------------------------|-----------------------------|---------------------|------------|
| <b>Cost or valuation</b> |                               |                             |                     |            |
| At 1 July 2022           | 1,787,443                     | 4,464,731                   | 104,495             | 6,356,669  |
| Additions                | 168,412                       | 530,147                     | -                   | 698,559    |
| At 30 June 2023          | 1,955,855                     | 4,994,878                   | 104,495             | 7,055,228  |
| <b>Depreciation</b>      |                               |                             |                     |            |
| At 1 July 2022           | 813,388                       | 3,350,363                   | 58,071              | 4,221,822  |
| Charge for the year      | 234,156                       | 627,752                     | 13,259              | 875,167    |
| At 30 June 2023          | 1,047,544                     | 3,978,115                   | 71,330              | 5,096,989  |
| <b>Carrying amount</b>   |                               |                             |                     |            |
| At 30 June 2023          | 908,311                       | 1,016,763                   | 33,165              | 1,958,239  |
| At 30 June 2022          | 974,055                       | 1,114,368                   | 46,424              | 2,134,847  |

### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

|                | 2023<br>£ | 2022<br>£ |
|----------------|-----------|-----------|
| Motor vehicles | -         | 4,316     |

### 14 Investments

|                             | 2023<br>£ | 2022<br>£ |
|-----------------------------|-----------|-----------|
| Investments in subsidiaries | 1         | 1         |
| <b>Subsidiaries</b>         |           | £         |
| <b>Cost or valuation</b>    |           |           |
| At 1 July 2022              |           | 1         |
| <b>Provision</b>            |           |           |
| <b>Carrying amount</b>      |           |           |
| At 30 June 2023             |           | 1         |
| At 30 June 2022             |           | 1         |

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 14 Investments (continued)

#### 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 |      |
|-------------------------|---|-----------------|---|------|
|                         |   |                 | 2023  | 2022 |
| Subsidiary undertakings |   |                 |   |      |
| Meighs Limited          | C/O Westley Group Limited<br>Doulton Road<br>Cradley Heath<br>West Midlands<br>B64 5QS<br>England | Ordinary Shares | 100%  | 100% |

#### Subsidiary undertakings

Meighs Limited

The principal activity of Meighs Limited is that of a dormant company.

### 15 Stocks

|                                     | 2023             | 2022             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Raw materials and consumables       | 2,384,856        | 1,433,910        |
| Work in progress                    | 2,564,275        | 2,174,353        |
| Finished goods and goods for resale | 238,935          | 9,373            |
|                                     | <u>5,188,066</u> | <u>3,617,636</u> |

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 16 Debtors

|                                 | Note      | 2023<br>£              | 2022<br>£              |
|---------------------------------|-----------|------------------------|------------------------|
| Trade debtors                   |           | 5,487,061              | 3,323,255              |
| Amounts owed by related parties | <u>24</u> | 982,698                | 2,222,819              |
| Other debtors                   |           | 318,313                | 30,185                 |
| Prepayments                     |           | 581,029                | 505,990                |
| Deferred tax assets             | <u>12</u> | 814,529                | 975,681                |
| Income tax asset                | <u>12</u> | 94,543                 | 228,990                |
|                                 |           | <hr/> 8,278,173        | <hr/> 7,286,920        |
| Less non-current portion        |           | <hr/> (814,529)        | <hr/> (975,681)        |
|                                 |           | <hr/> <u>7,463,644</u> | <hr/> <u>6,311,239</u> |

### Details of non-current trade and other debtors

£814,529 (2022 - £975,681) of Deferred Tax Asset is classified as non current. The deferred tax asset relates to historic tax losses that will be recovered against future trading profits. This amount will not be recoverable in the next twelve months as the company will not be making the taxable profits required to utilise the historic tax losses held at the 30 June 2023.

### 17 Cash and cash equivalents

|  | 2023<br>£              | 2022<br>£            |
|--|------------------------|----------------------|
| Cash on hand   | 584                    | 598                  |
| Cash at bank   | <hr/> 261,126          | <hr/> 1,082,417      |
|  | 261,710                | 1,083,015            |
| Bank overdrafts                                      | <hr/> (613,229)        | <hr/> (154,365)      |
| Cash and cash equivalents in statement of cash flows | <hr/> <u>(351,519)</u> | <hr/> <u>928,650</u> |

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 18 Creditors

|  | Note      | 2023<br>£        | 2022<br>£        |
|--|-----------|------------------|------------------|
| <b>Due within one year</b>                     |           |                  |                  |
| Loans and borrowings                           | <u>21</u> | 613,229          | 158,375          |
| Trade creditors                                |           | 3,038,908        | 3,308,375        |
| Amounts due to related parties                 | <u>24</u> | -                | 1,268,587        |
| Social security and other taxes                |           | 384,979          | 313,717          |
| Outstanding defined contribution pension costs |           | 23,872           | 18,662           |
| Other payables                                 |           | 3,041,110        | 421,958          |
| Accruals                                       |           | 333,722          | 1,372,076        |
| Deferred income                                |           | 362,920          | 573,092          |
|  |           | <u>7,798,740</u> | <u>7,434,842</u> |

### 19 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £94,310 (2022 - £86,179).

Contributions totalling £23,872 (2022 - £18,662) were payable to the scheme at the end of the year and are included in creditors.

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 20 Share capital

#### Allotted, called up and fully paid shares

|                            | 2023   |        | 2022   |        |
|----------------------------|--------|--------|--------|--------|
|                            | No.    | £      | No.    | £      |
| Ordinary Shares of £1 each | 50,000 | 50,000 | 50,000 | 50,000 |

### 21 Loans and borrowings

|                                     | 2023           | 2022           |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| <b>Current loans and borrowings</b> |                |                |
| Bank overdrafts                     | 613,229        | 154,365        |
| Hire purchase contracts             | -              | 4,010          |
|                                     | <u>613,229</u> | <u>158,375</u> |

### 22 Obligations under leases and hire purchase contracts

#### Finance leases

The total of future minimum lease payments is as follows:

|                         | 2023 | 2022  |
|-------------------------|------|-------|
|                         | £    | £     |
| Not later than one year | -    | 4,010 |

#### Operating leases

The total of future minimum lease payments is as follows:

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | £              | £              |
| Not later than one year                           | 235,310        | 253,643        |
| Later than one year and not later than five years | <u>239,293</u> | <u>306,572</u> |
|   | <u>474,603</u> | <u>560,215</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £236,833 (2022 - £235,612).

### 23 Commitments

#### Capital commitments

The company's development plans call for capital expenditure to enhance production capability and capacity. The total amount contracted for but not provided in the financial statements was £550,000 (2022 - £Nil).

# Meighs & Westleys Limited

## Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

### 24 Related party transactions

#### Summary of transactions with parent

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with its parent company.

#### Summary of transactions with entities with joint control or significant interest

Foundry Property Investments Limited

The company leases factory premises from Foundry Property Investments Limited.

#### Summary of transactions with subsidiaries

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with fellow subsidiary companies.

#### Expenditure with and payables to related parties

|             | Entities with<br>joint control or<br>significant<br>influence<br>£ |
|-------------|--|
| <b>2023</b> |  |
| Leases      | 160,000  |
|             |  |
|             | Entities with<br>joint control or<br>significant<br>influence<br>£ |
| <b>2022</b> |  |
| Leases      | 160,000  |

### 25 Parent and ultimate parent undertaking

The company's immediate parent is Westley Group Limited, incorporated in England.

The ultimate parent is Musgrave Holdings Limited, incorporated in England.

These financial statements are available upon request from

Doulton Road  
Cradley Heath  
West Midlands  
B64 5QS

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