

COMPANY REGISTRATION NUMBER: 8531295

CASTINGS TECHNOLOGY INTERNATIONAL LIMITED
AMENDED FINANCIAL STATEMENTS

31 JULY 2020



CASTINGS TECHNOLOGY INTERNATIONAL LTD

AMENDED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

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CASTINGS TECHNOLOGY INTERNATIONAL LTD

COMPANY INFORMATION

BOARD OF DIRECTORS

Prof J Campbell OBE, resigned 19th January 2021
Prof K Ridgway CBE, resigned 31st October 2019
J Baragwanath OBE, resigned 31st October 2019
A Allen OBE, resigned 31st October 2019
H J Dingle, resigned 31st December 2019
C Sirett, resigned 31st December 2019
Prof D Petley, appointed 6th November 2019, resigned 19th January 2021
J Jones, appointed 9th March 2020, resigned 19th January 2021
R S Cook appointed 19th January 2021
A K Parkin appointed 19th January 2021
Prof J Campbell OBE appointed 1st February 2021
Prof S B Robb appointed 1st March 2021
S R Irwin appointed 1st April 2021
K White appointed 28th April 2021

GENERAL MANAGER / MANAGING DIRECTOR

R S Cook

CHAIRMAN

A K Parkin

COMPANY SECRETARY

B Jackson resigned 1st March 2021
K White, appointed 1st March 2021

REGISTERED OFFICE

Advanced Manufacturing Park
Brunel Way
Catchcliffe
Rotherham
S60 5WG

REGISTERED NUMBER

8531295

AUDITORS

KPMG LLP
1 Sovereign Street
Sovereign Square
Leeds
LS1 4DA

BANKERS

Lloyds TSB plc
14 Church Street
Sheffield
S1 1HP

CASTINGS TECHNOLOGY INTERNATIONAL LTD

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 July 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company in the year under review were the manufacture of castings, and the provision of technology and technical support to the casting supply chain. Revenues improved by £547k thanks primarily to increased demand for titanium castings from the aerospace sector. Shipments to Moog Aircraft Group increased by more than £0.5m. A loss of £(687)k was reported for the year.

GOING CONCERN

Notwithstanding net liabilities of £4,637,632 as at 31 July 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company meets its day to day working capital requirements through its cash reserves, new borrowing facilities and shareholder loans. The Board have prepared forecasts for the remainder of 2021 and the twelve months ended 31 December 2022. These forecasts take into account the impact of Covid-19 to date, and revised expectations in relation to volume growth, sales price development and production throughput.

The Board has performed sensitivity analysis on the forecasts and modelled downside scenarios that include:

- Reduction in orders / order volatility
- Reduction in key customer volume reliance
- Reduced growth rate profile
- No extended service offerings, keep to current portfolio

Our forecasts, including the downside sensitivities, indicate that the Company will have sufficient cash resources for the period of at least 12 months from the date of approval of the financial statements (the going concern period). In addition to the forecast cash surplus, the Company has an invoice credit facility in place that is available to be utilised and that remains undrawn to date. This is forecast not to be required at any time throughout the forecast period, even in the downside sensitised cases described above. All scenarios include the required minimum payments against all loans or better. In addition, there are several areas of discretionary expenditure which could be reduced if necessary.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £686,625, The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year, none of whom had beneficial interests in the shares of the company, were as follows:

Keith Ridgway
John Baragwanath
Adrian Allen
John Campbell
Colin Sirett
Helen Dingle
David Petley
Joanne Jones

CHANGE OF OWNERSHIP

Following the year end and post balance sheet production, the company and the University of Sheffield agreed to a management buyout which took place on 19 January 2021. Ownership of the company transferred to the company's existing management team, which will take sole ownership of the company and operate it as a privately-run business. Along with the existing management team and a new funding structure, a new Chairman has been appointed as co-owner of the company along with the former General Manager now becoming Managing Director and co-owner.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

DIRECTORS' REPORT continued

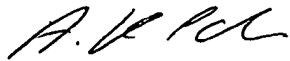
AUDITOR

KPMG LLP have indicated that they will not be seeking re-appointment as auditors. A resolution will be passed to appoint new auditors in line with section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware: and;
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the Directors by



Approved by the directors on

30/7/2021

CASTINGS TECHNOLOGY INTERNATIONAL LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTINGS TECHNOLOGY INTERNATIONAL LTD

Opinion

We have audited the financial statements of Castings Technology International Limited ("the company") for the year ended 31st July 2020 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTINGS TECHNOLOGY INTERNATIONAL LTD continued

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CASTINGS TECHNOLOGY INTERNATIONAL LTD continued**

The purpose of our audit work and to whom we owe our responsibilities

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.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

30 July 2021

CASTINGS TECHNOLOGY INTERNATIONAL LTD

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the year ended 31 July 2020

	Notes	2020 £	2019 £
TURNOVER	3	4,423,570	3,877,059
Cost of Sales		(2,493,962)	(2,340,222)
GROSS PROFIT		<u>1,929,608</u>	<u>1,536,837</u>
Distribution Costs		(59,529)	(61,552)
Administrative Expenses		(2,366,906)	(2,746,270)
Other Operating Income	4	1,436	104,128
OPERATING (LOSS)		<u>(495,393)</u>	<u>(1,166,857)</u>
Interest Payable and Similar Charges	5	(179,539)	(191,190)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(674,932)</u>	<u>(1,358,047)</u>
Taxation on loss on ordinary activities	9	(11,693)	(15,116)
LOSS FOR THE FINANCIAL YEAR		<u><u>(686,625)</u></u>	<u><u>(1,373,163)</u></u>

The company's turnover and expenses all relate to continuing operations.

A Comprehensive Income Statement has not been prepared as no gains or losses were recognised in the period.

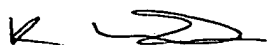
The notes on pages 11 to 19 form an integral part of the financial statements.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

BALANCE SHEET As at 31 July 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Assets in the course of construction	10	32,000	0
CURRENT ASSETS			
Inventories	11	1,207,601	842,965
Debtors	12	627,324	926,670
Cash in hand and at bank		230,644	153,406
TOTAL CURRENT ASSETS		2,065,569	1,923,041
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(5,885,201)	(4,099,048)
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,787,632)	(2,176,007)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Loans	14	(1,850,000)	(2,775,000)
NET LIABILITIES		(5,637,632)	(4,951,007)
CAPITAL AND RESERVES			
Retained Profit and loss account		(5,647,632)	(4,961,007)
Share Capital		10,000	10,000
		(5,637,632)	(4,951,007)

Approved by the Board of Directors on 30th July 2021
and signed on its behalf by



Director
Company number: 8531295

The notes on pages 11 to 19 form an integral part of the financial statements.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

STATEMENT OF CHANGES IN EQUITY

As at 31 July 2020

	Called up Share Capital £	Profit and Loss Account £	Total Equity £
Balance as at 31st July 2018	10,000	(3,587,844)	(3,577,844)
Loss		(1,373,163)	(1,373,163)
Total comprehensive income for the period	-	(1,373,163)	(1,373,163)
Contributions by and distributions to owners		(1,373,163)	(1,373,163)
	<hr/>	<hr/>	<hr/>
Balance as at 31st July 2019	10,000	(4,961,007)	(4,951,007)
	<hr/>	<hr/>	<hr/>
Loss		(686,625)	(686,625)
Total comprehensive income for the period	-	(686,625)	(686,625)
Contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 31st July 2020	10,000	(5,647,632)	(5,637,632)
	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 19 form an integral part of the financial statements.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS For the year ended 31 July 2020

1. GENERAL INFORMATION

Castings Technology International Ltd manufactures castings, patterns and moulds, and provides technical support services and licences technology to the casting supply chain. The company's operations are based in Rotherham.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Advanced Manufacturing Park, Brunel Way, Rotherham, S60 5WG.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been applied consistently to all the years presented unless otherwise noted. The company has adopted FRS 102 in these financial statements.

a. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006 cost convention and in accordance with applicable accounting standards.

b. Going concern

Notwithstanding net liabilities of £4,637,632 as at 31 July 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company meets its day to day working capital requirements through its cash reserves, new borrowing facilities and shareholder loans. The Board have prepared forecasts for the remainder of 2021 and the twelve months ended 31 December 2022. These forecasts take into account the impact of Covid-19 to date, and revised expectations in relation to volume growth, sales price development and production throughput.

The Board has performed sensitivity analysis on the forecasts and modelled downside scenarios that include:

- Reduction in orders / order volatility
- Reduction in key customer volume reliance
- Reduced growth rate profile
- No extended service offerings, keep to current portfolio

Our forecasts, including the downside sensitivities, indicate that the Company will have sufficient cash resources for the period of at least 12 months from the date of approval of the financial statements (the going concern period). In addition to the forecast cash surplus, the Company has an invoice credit facility in place that is available to be utilised and that remains undrawn to date. This is forecast not to be required at any time throughout the forecast period, even in the downside sensitised cases described above. All scenarios include the required minimum payments against all loans or better. In addition, there are several areas of discretionary expenditure which could be reduced if necessary.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, financial instruments, share based payments, and compensation of key personnel on the basis that it is a qualifying entity and its ultimate parent organisation, the University of Sheffield, includes the company's cash flows in its consolidated financial statements.

d. Consolidated financial statements

For the period ended 31 July 2020, the company was a wholly owned subsidiary of the University of Sheffield. The company's results have been included in the consolidated financial statements of the University of Sheffield which are publicly available.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

e. Foreign Currency

The company's functional and presentation currency is the pound sterling. Foreign currency transactions are translated into pounds sterling using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses are presented in the profit and loss account within "administrative expenses".

f. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns and discounts allowed by the company and value added taxes. The company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the company retains no continuing involvement or control over the goods, the amount of revenue can be measured reliably, and when the specific criteria relating to each of the company's sales channels is met

- i. Sales of goods are recognised on delivery to the customer. Delivery occurs when the goods have been shipped to the location specified by the customer, and shipment can be evidenced.
- ii. Sales of services are recognised in the accounting period in which the services are rendered. The company uses the percentage of completion method based on the actual service performed as a percentage of the total services provided.
- iii. Technology and royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

g. Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans. Short term benefits, including holiday pay are recognised as an expense in the period in which the service is received. The company operates a defined contribution stakeholder pension plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised when they are due. Amounts not paid are shown in accruals on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

h. Deferred taxation

Provision is made in full for deferred tax liabilities that arise from timing differences where the transactions or events, that result in an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that they will be recoverable. Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

i. Inventories

Inventories are stated at the lower of cost and net realisable value. Material stock costs are determined on the first in first out (FIFO) method. Work in progress is only valued when required to fulfil a valid customer order, and the valuation consists of incurred material, direct labour and other direct costs. At the end of each financial year stocks are assessed for impairment. If any material stock has not been used for a period of 12 months the identified stock is written down to nil value.

j. Provisions and contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated readily.

k. Related party transactions

The company discloses transaction with related parties which are not wholly owned within the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

3. TURNOVER

The turnover, result before taxation and net assets are attributable to the principal activity. The group operates in the United Kingdom and the whole of its turnover originates there. Turnover by destination can be analysed as:

	2020 £	2019 £
United Kingdom	3,570,530	2,989,984
Europe	227,202	115,851
North America	23,210	51,425
Australia and New Zealand	1,415	0
Rest of the world	601,213	719,799
	<u>4,423,570</u>	<u>3,877,059</u>

4. OTHER OPERATING INCOME

	2020 £	2019 £
R&D Expenditure Credits	-	103,081
Interest Receivable	1,436	1,047
	<u>1,436</u>	<u>104,128</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Loan interest paid	175,147	186,525
Other interest paid	4,392	4,665
	<u>179,539</u>	<u>191,190</u>

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2020	2019
	£	£
The loss on ordinary activities before taxation is stated after charging:		
Foreign exchange losses	417	1,116
Auditor's remuneration:		
Fees payable to the Company's auditors for the audit of the financial statement	21,555	13,238
	<u>21,972</u>	<u>14,354</u>
Total	<u>21,972</u>	<u>14,354</u>

7. STAFF COSTS

	2020	2019
	£	£
Staff costs including directors:		
Wages and salaries	1,685,816	1,250,147
Social security costs	149,866	113,279
Other pension costs	121,615	87,087
	<u>1,957,297</u>	<u>1,450,513</u>

Average number of persons (Full Time Equivalents) including executive directors employed by the group during the year:

	2020	2019
Management	4	3
Administration	7	5
Production	50	38
	<u>61</u>	<u>46</u>
Total employees	<u>61</u>	<u>46</u>

8. DIRECTORS

	2020	2019
	£	£
Emoluments	-	-
	<u>-</u>	<u>-</u>

None of the Board members have any pension rights or benefits accruing.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

9. TAXATION

	2020 £	2019 £
(a) Analysis of charge in year		
Current Tax:		
Current year corporation tax	-	6,940
Group Relief Receivable	-	(18,733)
Adjustments in respect of prior periods	-	7,131
Write off Indian tax deducted at source	11,693	19,778
	<hr/>	<hr/>
Total current tax (see (b) below)	11,693	15,116
 (b) Factors affecting tax charge for year		
The tax on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 19.0% (2017 20.0%)		
Loss on ordinary activities before tax	(674,932)	(1,358,047)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK	(128,237)	(258,029)
 Effects of:		
Irrecoverable overseas taxes	11,693	19,778
Impact of rate changes on deferred tax balances not recognised	(72,478)	24,111
Expenses not deductible for tax purposes	13,416	10,246
Additional adjustment in respect of RDEC	-	12,860
Notional tax charge on potential RDEC claim	-	6,940
Deferred tax not recognised	187,299	204,939
Under/(over)provided in prior years	-	(5,729)
	<hr/>	<hr/>
Current tax charge for year (see (a) above)	11,693	15,116
	<hr/>	<hr/>

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

10. FIXED ASSETS

	Freehold property £	Plant & vehicles £	Total £
COST			
At 1 August 2019	-	-	-
Additions	-	32,000	32,000
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2020	-	32,000	32,000
	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION			
At 1 August 2019	-	-	-
Charge for the year	-	-	-
Eliminated on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2020	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 July 2020	-	32,000	32,000
	<hr/>	<hr/>	<hr/>
At 31 July 2019	-	-	-
	<hr/>	<hr/>	<hr/>

11. INVENTORIES

	2020 £	2019 £
Raw materials	119,303	104,484
Consumables	96,569	106,257
Work in progress	987,229	624,129
Finished goods and goods for resale	4,500	8,095
	<hr/>	<hr/>
	1,207,601	842,965
	<hr/>	<hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £101,537, (2019: £314,474).

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2020

12. DEBTORS

	2020	2019
	£	£
Due within one year:		
Trade debtors	534,014	705,922
Trade debtors RDEC	-	83,280
Intercompany debtors	18,733	44,406
Other debtors	10,028	9,156
Prepayments and accrued income	31,215	50,573
	<u>593,991</u>	<u>893,337</u>
Falling due after more than one year:		
Trade debtors	33,333	33,333
	<u>33,333</u>	<u>33,333</u>
	<u>627,324</u>	<u>926,670</u>

Amounts due from other group companies are payable on 30 day net monthly terms.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	404,711	358,819
Amounts due to Group Companies	2,883,333	2,206,213
Other taxation and social security costs	93,197	113,357
Other creditors	30,458	11,136
Accruals and deferred income	623,501	484,523
Inter-company Loan	1,850,000	925,000
	<u>5,885,201</u>	<u>4,099,048</u>

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS For the year ended 31 July 2020

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

	2020 £	2019 £
Analysis of debt maturity:		
Amounts payable:		
In more than one year but not more than two years	925,000	925,000
In more than two years but not more than five years	925,000	1,850,000
In five years or more	-	-
	<u>1,850,000</u>	<u>2,775,000</u>

The loan totalling £3,700,000 (£3,700,000 2019) is from the University of Sheffield. Loan interest is calculated at 4% above three month LIBOR and is paid quarterly in arrears. The long term loan (£3,700,000) is repayable in 16 quarterly instalments commencing October 2019.

15. PROVISION FOR LIABILITIES AND CHARGES

There is no deferred tax provision made for the year and no movement in the deferred tax charge in

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2020 £	2019 £
Excess of taxation allowances depreciation on fixed assets	(32,404)	(24,091)
Losses carried forward	(770,958)	(591,972)
	<u>(803,362)</u>	<u>(616,063)</u>

16. CAPITAL COMMITMENTS

	2020 £	2019 £
The company had the following capital commitments at 31 July 2020:		
Contracts for future capital expenditure not provided in the financial statements – plant & equipment	16,000	-

17. OTHER FINANCIAL COMMITMENTS

There were no other financial commitments in the financial year.

CASTINGS TECHNOLOGY INTERNATIONAL LTD

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 July 2018

18. RELATED PARTY TRANSACTIONS

During the year the company purchased £17,000 (2019 £12,000) of consultancy services from Campbell Technology Ltd, a company owned by Prof Campbell, a director of the company. There was a balance outstanding for payment at the end of the year (2019 nil). The company is exempt from disclosing other related party transactions as they are with other group companies that are wholly owned by the University of Sheffield.

19. CONTROLLING PARTIES

As at 31 July 2020, the immediate parent undertaking was the University of Sheffield. The ultimate parent undertaking and the smallest and largest group to prepare a consolidated financial statement was the University of Sheffield. Copies of the University of Sheffield consolidated financial statements can be obtained from the University of Sheffield, Firth Court, Western Bank, Sheffield, S10 2TN. The ultimate controlling party as at 31 July 2020 was the University of Sheffield.

20. EVENTS AFTER THE BALANCE SHEET DATE

Following the year end and post balance sheet production, the company and the University of Sheffield agreed to a management buyout which took place on 19 January 2021. Ownership of the company transferred to the company's existing management team, which will take sole ownership of the company and operate it as a privately-run business. Along with the existing management team and a new funding structure, a new Chairman has been appointed as co-owner of the company along with the former General Manager now becoming Managing Director and co-owner. There is no financial impact on these financial statements as a result of this event.