

Unaudited Financial Statements
for the Year Ended 31st October 2021
for
VICTORIA DROP FORGINGS CO. LIMITED

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for the year ended 31st October 2021**

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DIRECTOR:	G L Howles
REGISTERED OFFICE:	Wednesfield Road Willenhall West Midlands WV13 1AG
REGISTERED NUMBER:	00143164 (England and Wales)
ACCOUNTANTS:	Bakers (The practising name of Baker (Midlands) Limited) Arbor House Broadway North Walsall WS1 2AN

Balance Sheet
31st October 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		517,040		539,145
CURRENT ASSETS					
Stocks		695,520		547,617	
Debtors	5	1,148,535		1,097,584	
Cash at bank and in hand		<u>24,502</u>		<u>24,413</u>	
		1,868,557		1,669,614	
CREDITORS					
Amounts falling due within one year	6	<u>843,654</u>		<u>595,108</u>	
NET CURRENT ASSETS			<u>1,024,903</u>		<u>1,074,506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,541,943</u>		<u>1,613,651</u>
CREDITORS					
Amounts falling due after more than one year	7		(47,177)		(82,104)
PROVISIONS FOR LIABILITIES			<u>(40,500)</u>		<u>(44,500)</u>
NET ASSETS			<u><u>1,454,266</u></u>		<u><u>1,487,047</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		2,800		2,800
Revaluation reserve	10		270,696		270,696
Capital redemption reserve			2,200		2,200
Retained earnings			<u>1,178,570</u>		<u>1,211,351</u>
SHAREHOLDERS' FUNDS			<u><u>1,454,266</u></u>		<u><u>1,487,047</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st October 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st October 2021 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

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

Balance Sheet - continued
31st October 2021

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

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

The financial statements were approved by the director and authorised for issue on 8th March 2022 and were signed by:

G L Howles - Director

**Notes to the Financial Statements
for the year ended 31st October 2021**

1. STATUTORY INFORMATION

Victoria Drop Forgings Co. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

Turnover

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

The company recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements - continued
for the year ended 31st October 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- not provided
Plant and machinery	- 10% to 33.33% on cost
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33.33% on reducing balance

Freehold Property, which is stated at its valuation in 2013, is not depreciated as it is the Company's policy to maintain its property in good repair and the life and residual value are such that depreciation would not be material. The directors perform annual impairment reviews to ensure that the recoverable amount is not less than the carrying value.

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

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Government grants

The company received Coronavirus Job Retention Scheme and other government grants during the year. These grants are recognised at fair value when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance model.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related turnover is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition. The cost of finished goods and work in progress includes raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the year ended 31st October 2021

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

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

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The company operates a defined contribution 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 as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Trade debtors

The company's trade debtors are subject to a confidential invoice financing arrangement with the company retaining the benefits and risks of the debt. As required by FRS 5 separate presentation has been included with the debts disclosed in current assets and the liability to the bank is shown in current liabilities.

Notes to the Financial Statements - continued
for the year ended 31st October 2021

2. ACCOUNTING POLICIES - continued

Short-term debtors and creditors

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

Cash and cash equivalents

Cash comprise cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with an insignificant risk of change in value

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 21 (2020 - 27) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1st November 2020	300,000	890,216	54,890	41,376	1,286,482
Additions	-	8,850	-	-	8,850
At 31st October 2021	<u>300,000</u>	<u>899,066</u>	<u>54,890</u>	<u>41,376</u>	<u>1,295,332</u>
DEPRECIATION					
At 1st November 2020	-	662,352	45,395	39,590	747,337
Charge for year	-	28,927	1,428	600	30,955
At 31st October 2021	<u>-</u>	<u>691,279</u>	<u>46,823</u>	<u>40,190</u>	<u>778,292</u>
NET BOOK VALUE					
At 31st October 2021	<u>300,000</u>	<u>207,787</u>	<u>8,067</u>	<u>1,186</u>	<u>517,040</u>
At 31st October 2020	<u>300,000</u>	<u>227,864</u>	<u>9,495</u>	<u>1,786</u>	<u>539,145</u>

Notes to the Financial Statements - continued
for the year ended 31st October 2021

4. TANGIBLE FIXED ASSETS - continued

In 2013 the freehold property was valued by professional valuers on the basis of vacant possession. The directors are not aware of any subsequent material change in value.
If the freehold property was to be sold at its valuation no taxation liability would arise.

Cost or valuation at 31st October 2021 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2013	300,000	-	-	-	300,000
Cost	-	899,066	54,890	41,376	995,332
	<u>300,000</u>	<u>899,066</u>	<u>54,890</u>	<u>41,376</u>	<u>1,295,332</u>

If the Freehold Property had not been revalued it would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u>29,304</u>	<u>29,304</u>

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

	Plant and machinery £
COST OR VALUATION	
At 1st November 2020	136,561
Additions	<u>7,450</u>
At 31st October 2021	<u>144,011</u>
DEPRECIATION	
At 1st November 2020	52,029
Charge for year	<u>12,498</u>
At 31st October 2021	<u>64,527</u>
NET BOOK VALUE	
At 31st October 2021	<u>79,484</u>
At 31st October 2020	<u>84,532</u>

Notes to the Financial Statements - continued
for the year ended 31st October 2021

5. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	352,413	275,331
Other debtors	<u>29,629</u>	<u>55,760</u>
	<u>382,042</u>	<u>331,091</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>766,493</u>	<u>766,493</u>
Aggregate amounts	<u>1,148,535</u>	<u>1,097,584</u>

Included in other debtors are prepayments of £29,629 (2020: £31,154).

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts	32,628	22,218
Hire purchase contracts	13,704	25,612
Trade creditors	263,253	134,851
Taxation and social security	271,686	153,252
Other creditors	<u>262,383</u>	<u>259,175</u>
	<u>843,654</u>	<u>595,108</u>

Included in other creditors are accruals of £20,805 (2020: £17,395).

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

	2021 £	2020 £
Bank loans	38,509	65,320
Hire purchase contracts	<u>8,668</u>	<u>16,784</u>
	<u>47,177</u>	<u>82,104</u>

Notes to the Financial Statements - continued
for the year ended 31st October 2021**8. SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	71,137	87,538
Other loans	47,190	50,000
Hire purchase contracts	22,372	42,396
Invoice financing	154,613	154,401
	<u>295,312</u>	<u>334,335</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
2,800	Ordinary	£1	<u>2,800</u>	<u>2,800</u>

10. RESERVESAt 1st November 2020
and 31st October 2021

Revaluation reserve
£
<u>270,696</u>

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