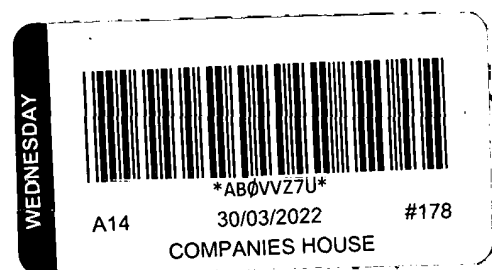


Harrison Castings Holdings Limited

Registered number: 12038818

Annual report and financial statements

For the year ended 30 June 2021



HARRISON CASTINGS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M A Burton M S Jenney C Kicks L M Webster
Company secretary	C Kicks
Registered number	12038818
Registered office	Gough Road Leicester LE5 4AP
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP
Bankers	Barclays Bank Plc 1-3 Haymarket Towers Humberstone Gate Leicester LE1 1WA HSBC Plc 2-6 Gallowtree Gate Leicester LE1 1DA

HARRISON CASTINGS HOLDINGS LIMITED

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HARRISON CASTINGS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The Board are pleased to present their strategic report for the year ended 30 June 2021.

Principal activity

The Group continues to be engaged in business as a non-ferrous metal foundry.

The Company's principal activity is that of a holding company.

Business review

Despite the backdrop of the pandemic, the Board are pleased to report that business has remained strong, delivering consistent levels of turnover during the year under review, on an annualised basis, with the previous period. The Directors continue to strategically control the Group's cost base to help navigate it through the economic uncertainty created by Covid, to ensure the business remains profitable and secure its stability for the long term, whilst ensuring it can continue to safely operate as full capacity in a Covid safe environment.

The Directors are pleased to report trading profit before goodwill amortisation for the year of £760,796 (10 months ended 30 June 2020 - £570,300) and that they remain optimistic of future profitability given positive post date trading levels.

Principal risks and uncertainties

The key risks facing the Group continue to be the strong levels of competition in the global market within which it competes and the financial stability of its customer base. The Board are continually assessing these risks on an ongoing basis to ensure they mitigate as far as possible any adverse impact on its own business. As mentioned above, the Board closely monitor the Group's own productivity levels and cost base on an ongoing basis to ensure it remains highly competitive and retains the capability to react and respond quickly to changes in the market. The business is also in ongoing dialogue with all of its current and potential new customers to gain visibility on likely future trading levels.

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

Invasion of Ukraine and Russian sanctions

The Harrison Castings Group does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

HARRISON CASTINGS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Coronavirus and the COVID-19 pandemic

The Directors have and are continuing to assess the impact of the outbreak of COVID-19 on all areas of the business. This includes ongoing and continuing discussions with all of the business' internal and external key stakeholders. As part of the process, the Directors have been assessing the likely trading levels of the Group for the foreseeable future and evaluating if the business has adequate financial and non-financial resources available to continue to trade profitably, without significant disruption, and meet its liabilities as and when they fall due.

Going concern

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group can remain a viable, going concern for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

This report was approved by the board and signed on its behalf.


M S Jenney (Mar 27, 2022 15:39 GMT+1)

M S Jenney
Director

Date: Mar 28, 2022

HARRISON CASTINGS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report and the financial statements for the year ended 30 June 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ("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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year/period, after taxation, amounted to £355,946 (2020 - £312,787).

A dividend of £Nil (2020 - £Nil) was declared for the year/period.

Directors

The Directors who served during the year were:

M A Burton
M S Jenney
C Kicks
L M Webster

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

HARRISON CASTINGS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C Kicks
Director

Date: Mar 28, 2022

HARRISON CASTINGS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARRISON CASTINGS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Harrison Castings Holdings Limited (the 'Company') and its subsidiaries ("the Group") for the year ended 30 June 2021 which comprise the consolidated statement of comprehensive income, the consolidated and Company statement of financial positions, the consolidated and Company statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net debt 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 FRS 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 Group's and the Company's affairs as at 30 June 2021 and of the Group's 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's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group 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 Directors' 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 Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

HARRISON CASTINGS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARRISON CASTINGS HOLDINGS LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Group's strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group's strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group's strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' responsibilities statement set out on page 3, 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 Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARRISON CASTINGS HOLDINGS LIMITED

Auditor's 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 the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Group and the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, pensions legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

HARRISON CASTINGS HOLDINGS LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARRISON CASTINGS HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (...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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Group'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 Group'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 Group and the Group and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.


Stephen English (Mar 28, 2022 15:48 GMT+1)

Stephen English (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Mar 28, 2022

HARRISON CASTINGS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Year ended 30 June 2021 £	Period ended 30 June 2020(*) £
Turnover	4	8,782,615	7,269,983
Change in stocks of finished goods and work in progress		235,144	(202,983)
Raw materials and consumables		(4,505,542)	(3,342,498)
Other external charges		(1,313,962)	(1,075,479)
Staff costs	7	(2,287,370)	(1,905,714)
Depreciation and amortisation and profit on sale of fixed assets		(362,754)	(350,229)
Operating profit	5	548,131	393,080
Interest receivable and similar income	9	-	425
Interest payable and expenses	10	(103,585)	(112,386)
Profit before taxation		444,546	281,119
Tax on profit	11	(88,600)	31,668
Profit for the financial year/period		<u>355,946</u>	<u>312,787</u>
Profit for the year/period attributable to:			
Owners of the parent Company		355,946	312,787
		<u>355,946</u>	<u>312,787</u>
Total comprehensive income for the year/period attributable to:			
Owners of the parent Company		355,946	312,787
		<u>355,946</u>	<u>312,787</u>

There was no other comprehensive income for 2021 (2020 - £NIL).

(*) the comparative period was from incorporation, 7 June 2019, through to 30 June 2020 and includes the trading results of the Group from the date of acquisition, 30 August 2019, through to 30 June 2020.

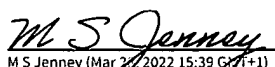
The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED
REGISTERED NUMBER: 12038818

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	1,736,765	1,949,430
Tangible assets	13	315,955	522,199
		<u>2,052,720</u>	<u>2,471,629</u>
Current assets			
Stocks	15	1,019,910	738,837
Debtors	16	2,846,610	1,750,804
Cash at bank and in hand		420,088	155,132
		<u>4,286,608</u>	<u>2,644,773</u>
Creditors: amounts falling due within one year	17	(4,053,376)	(2,703,008)
Net current assets/(liabilities)		<u>233,232</u>	<u>(58,235)</u>
Total assets less current liabilities		<u>2,285,952</u>	<u>2,413,394</u>
Creditors: amounts falling due after more than one year	18	(1,596,857)	(2,072,791)
Provisions for liabilities			
Deferred taxation	21	(20,212)	(27,666)
		<u>(20,212)</u>	<u>(27,666)</u>
Net assets		<u><u>668,883</u></u>	<u><u>312,937</u></u>
Capital and reserves			
Called up share capital	22	150	150
Profit and loss account	23	668,733	312,787
		<u>668,883</u>	<u>312,937</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M S Jenney (Mar 27, 2022 15:39 GMT+1)

M S Jenney
Director



C Kicks
Director

Date: Mar 28, 2022

The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED
REGISTERED NUMBER: 12038818

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	6,332,141	6,332,141
		<u>6,332,141</u>	<u>6,332,141</u>
Current assets			
Cash at bank and in hand		2,120	2,682
		<u>2,120</u>	<u>2,682</u>
Creditors: amounts falling due within one year	17	(1,511,288)	(940,906)
Net current liabilities		<u>(1,509,168)</u>	<u>(938,224)</u>
Total assets less current liabilities		<u>4,822,973</u>	<u>5,393,917</u>
Creditors: amounts falling due after more than one year	18	(1,596,857)	(2,072,791)
Net assets		<u><u>3,226,116</u></u>	<u><u>3,321,126</u></u>
Capital and reserves			
Called up share capital	22	150	150
Profit and loss account brought forward		3,320,976	-
(Loss)/profit for the year/period		(95,010)	3,320,976
		<u>3,225,966</u>	<u>3,320,976</u>
Profit and loss account carried forward		<u><u>3,226,116</u></u>	<u><u>3,321,126</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M S Jenney (Mar 27, 2022 15:39 GMT+1)

M S Jenney
Director



C Kicks
Director

Date: Mar 28, 2022

The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2020	150	312,787	312,937
Profit for the year	-	355,946	355,946
At 30 June 2021	150	668,733	668,883

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Profit for the period	-	312,787	312,787
Shares issued during the period	150	-	150
At 30 June 2020	150	312,787	312,937

The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2020	150	3,320,976	3,321,126
Loss for the year	-	(95,010)	(95,010)
At 30 June 2021	150	3,225,966	3,226,116

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Profit for the period	-	3,320,976	3,320,976
Shares issued during the period	150	-	150
At 30 June 2020	150	3,320,976	3,321,126

The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year/period	355,946	312,787
Adjustments for:		
Amortisation of intangible assets	212,665	177,220
Depreciation and profit on sale of fixed assets	150,089	173,494
Interest paid	103,585	112,386
Interest received	-	(425)
Taxation charge/(credit)	88,600	(31,668)
(Increase)/decrease in stocks	(281,073)	224,490
(Increase)/decrease in debtors	(1,095,806)	98,079
Increase/(decrease) in creditors	985,062	(84,303)
Corporation tax paid	(63,399)	(52,080)
Net cash generated from operating activities	455,669	929,980
Cash flows from investing activities		
Purchase of tangible fixed assets	(18,148)	(16,694)
Sale of tangible fixed assets	74,303	1,383
Acquisition of subsidiary undertakings	-	(2,165,575)
Interest received	-	425
Net cash generated from/(used in) investing activities	56,155	(2,180,461)
Cash flows from financing activities		
New bank loan	-	2,500,000
Repayment of bank loan	(457,646)	(467,292)
Movement on invoice discounting	314,363	(514,709)
Interest paid	(103,585)	(112,386)
Net cash (used in)/generated from financing activities	(246,868)	1,405,613
Net increase in cash and cash equivalents	264,956	155,132
Cash and cash equivalents at beginning of year/period	155,132	-
Cash and cash equivalents at the end of year/period	420,088	155,132
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	420,088	155,132
	420,088	155,132

HARRISON CASTINGS HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2021**

	At 1 July 2020 £	Cash flows £	At 30 June 2021 £
Cash at bank and in hand	155,132	264,956	420,088
Invoice discounting facility	(716,349)	(314,363)	(1,030,712)
Bank loan	(2,032,708)	457,646	(1,575,062)
Loan notes	(500,000)	-	(500,000)
	<u>(3,093,925)</u>	<u>408,239</u>	<u>(2,685,686)</u>

The notes on pages 16 to 32 form part of these financial statements.

HARRISON CASTINGS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Harrison Castings Holdings Limited is a private company, limited by shares, incorporated in England and Wales. The Company's registered number is 12038818. The address of its registered office is Gough Road, Leicester, LE5 4AP.

The principal activity of the Company during the year was that of a holding company. The principal activity of the Group during the year was that of a non-ferrous metal foundry.

The financial statements have been presented in Pounds Sterling (£) as this is currency of the primary economic environment in which the Group operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The Company has taken advantage from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, including in these statements, includes the Company's cash flows.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group can remain a viable, going concern for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. Turnover is recognised when goods are dispatched and legal title has passed and the Group has no continuing managerial involvement associated with ownership nor effective control of the goods sold.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the Company used the furlough scheme and VAT deferral scheme. Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

2.7 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that deferred tax balances are not recognised in respect of permanent differences.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life of 10 years and reviewed annually for impairment.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10 years
Motor vehicles	- Between 3 and 5 years
Fixtures and fittings	- Between 4 and 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.12 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.15 Creditors

Short term creditors are measured at the transaction price.

2.16 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

HARRISON CASTINGS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key judgements in applying the entity's accounting policies

None

(b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Calculation of the cost and net realisable value of stocks

The Group makes an estimate of the cost and net realisable value of stocks. This has been outlined at note 2.12.

(ii) Impairment of investments and goodwill

Where there are indicators of impairment of investments and goodwill, management shall estimate the recoverable amount of those investments and adjust accordingly.

4. Turnover

Analysis of turnover by country of destination:

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
United Kingdom	6,806,206	5,510,098
Rest of the world	1,976,409	1,759,885
	<u>8,782,615</u>	<u>7,269,983</u>

Overseas turnover relates to sales made to Sweden, the Czech Republic, Germany and the USA.

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

5. Operating profit

The operating profit is stated after charging:

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Depreciation of tangible fixed assets	179,437	174,878
Profit on sale of fixed assets	(29,348)	(1,383)
Amortisation of goodwill	212,665	177,220
Operating lease rentals	223,669	169,740
Research and development	165,747	157,850
	<u> </u>	<u> </u>

6. Auditor's remuneration

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	10,750	11,100
	<u> </u>	<u> </u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	3,875	3,875
All other services	5,250	3,000
	<u> </u>	<u> </u>
	9,125	6,875
	<u> </u>	<u> </u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group Year ended 30 June 2021 £	Group Period ended 30 June 2020 £	Company Year ended 30 June 2021 £	Company Period ended 30 June 2020 £
Wages and salaries	1,998,844	1,696,384	-	-
Social security costs	193,239	140,350	-	-
Cost of defined contribution scheme	95,287	68,980	-	-
	<u>2,287,370</u>	<u>1,905,714</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the year/period was as follows:

	Group Year ended 30 June 2021 No.	Group Period ended 30 June 2020 No.	Company Year ended 30 June 2021 No.	Company Period ended 30 June 2020 No.
Production	72	77	-	-
Administrative	10	10	4	4
	<u>82</u>	<u>87</u>	<u>4</u>	<u>4</u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. Directors' remuneration

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Directors' emoluments	469,395	270,397
Group contributions to defined contribution pension schemes	53,616	34,194
	<u>523,011</u>	<u>304,591</u>

During the year/period retirement benefits were accruing to 4 Directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration, excluding pension contributions, of £138,412 (2020 - £77,856) during the year/period.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,221 (2020 - £7,668) during the year/period.

9. Interest receivable

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Bank interest receivable	-	425
	<u>-</u>	<u>425</u>

10. Interest payable and similar expenses

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Bank interest payable	89,690	88,708
Invoice discounting charges	13,895	23,678
	<u>103,585</u>	<u>112,386</u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Taxation

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Corporation tax		
Current tax on profits for the year/period	100,444	68,825
Adjustments in respect of previous periods	(4,390)	(71,405)
Total current tax	<u>96,054</u>	<u>(2,580)</u>
Deferred tax		
Origination and reversal of timing differences	(7,454)	(29,088)
Total deferred tax	<u>(7,454)</u>	<u>(29,088)</u>
Taxation on profit on ordinary activities	<u>88,600</u>	<u>(31,668)</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Profit on ordinary activities before tax	<u>444,546</u>	<u>281,119</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	84,464	53,413
Effects of:		
Amortisation of goodwill	40,406	33,672
Expenses not deductible for tax purposes	-	1,593
Adjustments to tax charge in respect of prior periods	(4,390)	(71,405)
Other timing differences	(31,880)	(48,941)
Total tax charge for the year/period	<u>88,600</u>	<u>(31,668)</u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Taxation (continued)**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

12. Intangible assets**Group**

	Goodwill £
Cost	
At 1 July 2020	2,126,650
At 30 June 2021	<u>2,126,650</u>
Amortisation	
At 1 July 2020	177,220
Charge for the year	212,665
At 30 June 2021	<u>389,885</u>
Net book value	
At 30 June 2021	<u>1,736,765</u>
At 30 June 2020	<u>1,949,430</u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Tangible fixed assets**Group**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 July 2020	4,247,064	236,377	349,360	4,832,801
Additions	-	14,999	3,149	18,148
Disposals	-	(192,796)	-	(192,796)
At 30 June 2021	<u>4,247,064</u>	<u>58,580</u>	<u>352,509</u>	<u>4,658,153</u>
Depreciation				
At 1 July 2020	3,889,538	171,168	249,896	4,310,602
Charge for the year	129,881	20,754	28,802	179,437
Disposals	-	(147,841)	-	(147,841)
At 30 June 2021	<u>4,019,419</u>	<u>44,081</u>	<u>278,698</u>	<u>4,342,198</u>
Net book value				
At 30 June 2021	<u>227,645</u>	<u>14,499</u>	<u>73,811</u>	<u>315,955</u>
At 30 June 2020	<u>357,526</u>	<u>65,209</u>	<u>99,464</u>	<u>522,199</u>

HARRISON CASTINGS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14. Fixed asset investments

Company

	Investments in subsidiary undertakings £
Cost	
At 1 July 2020	6,332,141
At 30 June 2021	<u>6,332,141</u>

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
HC 2019 Limited	Holding company	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Harrison Castings Limited	Non-ferrous metal foundry	Ordinary A and Ordinary B	100%
R. C. Harrison & Sons Limited	Dormant company	Ordinary	100%
W. & T. Jackson & Co, Limited	Dormant company	Ordinary	100%

The registered office for the subsidiary undertakings of the Company is Gough Road, Leicester, LE5 4AP.

15. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	254,663	208,734
Work in progress (goods to be sold) and finished goods	765,247	530,103
	<u>1,019,910</u>	<u>738,837</u>

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Debtors

	Group 2021 £	Group 2020 £
Trade debtors	2,702,341	1,558,706
Prepayments and accrued income	144,269	192,098
	<u>2,846,610</u>	<u>1,750,804</u>

17. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loan	478,205	459,917	478,205	459,917
Invoice discounting facility	1,030,712	716,349	-	-
Trade creditors	1,562,881	876,615	-	-
Amounts owed to group undertakings	-	-	971,536	418,536
Corporation tax	98,005	65,350	-	-
Other taxation and social security	280,043	298,842	-	-
Other creditors	58,584	61,501	49,851	49,851
Accruals and deferred income	544,946	224,434	11,696	12,602
	<u>4,053,376</u>	<u>2,703,008</u>	<u>1,511,288</u>	<u>940,906</u>

The invoice discounting facility is secured on the book debts and other assets of the Group and Company.

The bank loan is secured by a fixed and floating charge over the assets of the Group and Company.

18. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loan	1,096,857	1,572,791	1,096,857	1,572,791
Loan notes	500,000	500,000	500,000	500,000
	<u>1,596,857</u>	<u>2,072,791</u>	<u>1,596,857</u>	<u>2,072,791</u>

The bank loan is secured by a fixed and floating charge over the assets of the Group and Company.

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

19. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loan	478,205	459,917	478,205	459,917
Amounts falling due 1-2 years				
Bank loan	478,204	459,917	478,204	459,917
Amounts falling due 2-5 years				
Bank loan	618,653	1,112,874	618,653	1,112,874
Loan notes	500,000	500,000	500,000	500,000
	<u>2,075,062</u>	<u>2,532,708</u>	<u>2,075,062</u>	<u>2,532,708</u>

20. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised cost	<u>3,122,429</u>	<u>1,713,838</u>	<u>2,120</u>	<u>2,682</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>3,197,122</u>	<u>1,878,899</u>	<u>1,033,083</u>	<u>480,989</u>

Financial assets measured at amortised cost comprise trade debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise invoice discounting facilities, trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

21. Deferred taxation**Group**

	2021 £	2020 £
At beginning of year	(27,666)	-
On acquisition	-	(56,754)
Charged to profit or loss	7,454	29,088
At end of year	(20,212)	(27,666)

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(21,787)	(33,066)
Other timing differences	1,575	5,400
	(20,212)	(27,666)

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
90 (2020 - 90) A Ordinary shares of £1.00 each	90	90
20 (2020 - 20) B Ordinary shares of £1.00 each	20	20
20 (2020 - 20) C Ordinary shares of £1.00 each	20	20
20 (2020 - 20) D Ordinary shares of £1.00 each	20	20
	150	150

The rights attaching to each class of share can be found at Companies House.

23. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits and losses of the Group and Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

24. Contingent liabilities

The Company is party to a cross guarantee relating to the Group's total bank borrowings. At 30 June 2021, net borrowings of £2,197,970 (2020 - £2,651,954) were covered by this guarantee.

The Company is party to a cross guarantee relating to the Group's total loan notes. At 30 June 2021, loan notes of £500,000 (2020 - £500,000) were covered by this guarantee.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £95,287 (2020 - £68,980). Contributions totalling £10,462 (2020 - £9,347) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 30 June 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	257,656	203,800
Later than 1 year and not later than 5 years	938,307	815,200
Later than 5 years	613,474	815,200
	<u>1,809,437</u>	<u>1,834,200</u>

The Company had no commitments under non-cancellable operating leases at the reporting date.

27. Related party transactions

The Group and Company have taken advantage of the exemption conferred by FRS102 Section 33 "Related Party Disclosures" not to disclose transactions with other Group entities who's voting rights are 100% controlled within the Group.

The Directors consider there to be no key management personnel, other than the Directors whose remuneration has been disclosed in note 8.

At 30 June 2021, there were balances amounting to £29,910 (2020 - £29,910) due to M S Jenney, £6,647 (2020 - £6,647) due to C Kicks, £6,647 (2020 - £6,647) due to M A Burton and £6,647 (2020 - £6,647) due to L M Webster all of whom are Directors of the Group and served during the year. No interest is charged by the Directors on these balances.

HARRISON CASTINGS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

28. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

29. Ultimate controlling party

M S Jenney is deemed to be the ultimate controlling party by virtue of his controlling shareholding in the Company.