

Financial Statements for the Year Ended 31 March 2020

for

Hereford Galvanizers Limited

Hereford Galvanizers Limited (Registered number: 00817600)

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for the year ended 31 March 2020

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| | |
|----------------------------------|---|
| Directors: | E J Hayes Ms M B Jackson Dr F Shallcross D A Watkins B M Gould |
| Secretary: | Ms M B Jackson |
| Registered office: | Westfields Trading Estate Hereford HR4 9NS |
| Registered number: | 00817600 (England and Wales) |
| Senior statutory auditor: | Russell Spencer |
| Auditors: | Acre Accountancy Limited Unit 2 Foley Works Foley Industrial Estate Hereford Herefordshire HR1 2SF |

Abridged Balance Sheet
31 March 2020

| | Notes | 2020 | | 2019 | |
|--|-------|------------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 2,002,098 | | 1,719,836 |
| Investments | 6 | | <u>20,001</u> | | <u>20,001</u> |
| | | | 2,022,099 | | 1,739,837 |
| CURRENT ASSETS | | | | | |
| Stocks | | 1,013,270 | | 898,665 | |
| Debtors | | 1,673,819 | | 1,621,943 | |
| Cash at bank and in hand | | <u>177,055</u> | | <u>198,172</u> | |
| | | 2,864,144 | | 2,718,780 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | | <u>1,285,376</u> | | <u>951,200</u> | |
| NET CURRENT ASSETS | | | <u>1,578,768</u> | | <u>1,767,580</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 3,600,867 | | 3,507,417 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | | | (912,517) | | (927,661) |
| PROVISIONS FOR LIABILITIES | | | <u>(200,909)</u> | | <u>(135,837)</u> |
| NET ASSETS | | | <u>2,487,441</u> | | <u>2,443,919</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 10 | | 17,840 | | 17,840 |
| Retained earnings | | | <u>2,469,601</u> | | <u>2,426,079</u> |
| SHAREHOLDERS' FUNDS | | | <u>2,487,441</u> | | <u>2,443,919</u> |

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 March 2020 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 3 March 2021 and were signed on its behalf by:

D A Watkins - Director

1. **STATUTORY INFORMATION**

Hereford Galvanizers 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.

2. **STATEMENT OF COMPLIANCE**

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.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Hereford Galvanizers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has claimed exemption under Section 405 (2) of the Companies Act 2006 so as not to consolidate the results of its subsidiary company. The grounds for excluding the subsidiary company are that its results are immaterial for the purpose of giving a true and fair view.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---|
| Freehold property | - 2% on cost |
| Plant and machinery | - 15% on reducing balance |
| Fixtures and fittings | - 25% on cost and 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance and 20% on reducing balance |

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks and work-in-progress

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Work in progress is valued at the lower of cost or net realisable value.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement. They are classified as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. **ACCOUNTING POLICIES - continued**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

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

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 118 (2019 - 105).

5. **TANGIBLE FIXED ASSETS**

| | Totals £ |
|------------------------|------------------|
| Cost | |
| At 1 April 2019 | 4,397,426 |
| Additions | 508,885 |
| Disposals | (314,360) |
| At 31 March 2020 | <u>4,591,951</u> |
| Depreciation | |
| At 1 April 2019 | 2,677,590 |
| Charge for year | 198,377 |
| Eliminated on disposal | (286,114) |
| At 31 March 2020 | <u>2,589,853</u> |
| Net book value | |
| At 31 March 2020 | <u>2,002,098</u> |
| At 31 March 2019 | <u>1,719,836</u> |

6. **FIXED ASSET INVESTMENTS**

Information on investments other than loans is as follows:

| | Totals £ |
|--------------------------------------|---------------|
| Cost | |
| At 1 April 2019 and 31 March 2020 | <u>20,001</u> |
| Net book value | |
| At 31 March 2020 | <u>20,001</u> |
| At 31 March 2019 | <u>20,001</u> |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Shropshire Galvanizers Limited

Registered office:

Nature of business: Dormant

| | % holding | 2020 £ | 2019 £ |
|--------------------------------|--------------|------------------|------------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | <u>(399,999)</u> | <u>(399,999)</u> |

6. FIXED ASSET INVESTMENTS - continued**Zinco International Limited**

Registered office:

Nature of business: Technical services

| Class of shares: | % holding | 2020 | 2019 |
|--------------------------------|--------------|---------------|--------------|
| Ordinary | 100.00 | £ | £ |
| Aggregate capital and reserves | | 209,694 | 201,961 |
| Profit for the year | | <u>47,733</u> | <u>2,268</u> |

7. LOANS

An analysis of the maturity of loans is given below:

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank loans | <u>21,403</u> | <u>-</u> |
| Amounts falling due between one and two years: | | |
| Preference shares | <u>802,200</u> | <u>802,200</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>58,597</u> | <u>-</u> |

Details of shares shown as liabilities are as follows:

| Allotted, issued and fully paid | | Nominal | 2020 | 2019 |
|---------------------------------|------------------------------|---------|----------------|----------------|
| Number: | Class: | Value: | £ | £ |
| 802,200 | Redeemable preference shares | £1 | <u>802,200</u> | <u>802,200</u> |

The redeemable preference shares carry the right to a fixed cumulative preferential dividend at the rate of 10% per annum, and are redeemable at the option of the company.

8. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|----------------------------|-------------------------|----------------|
| | 2020 | 2019 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 73,741 | 124,656 |
| Between one and five years | <u>51,720</u> | <u>125,461</u> |
| | <u>125,461</u> | <u>250,117</u> |

8. **LEASING AGREEMENTS - continued**

| | Non-cancellable operating leases | |
|----------------------------|----------------------------------|---------------|
| | 2020 | 2019 |
| | £ | £ |
| Within one year | 76,235 | 42,094 |
| Between one and five years | 39,897 | 52,000 |
| | <u>116,132</u> | <u>94,094</u> |

9. **SECURED DEBTS**

The following secured debts are included within creditors:

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Invoice discounting facility | <u>433,531</u> | <u>258,731</u> |

The company's overdraft facility is repayable on demand but subject to periodic review. The overdraft is secured by an unlimited debenture incorporating a first legal charge over the land and buildings from where the company operates in Hereford and also Plots 12 and 13 Mile End Business Park, Oswestry and Land and buildings at Westfield Trading Estate, Grandstand Road, Hereford along with the Land & Gantry adjoining Grandstand Road land.

The invoice discounting facility is secured on the trade debtors of the company, as well as a fixed and floating charge over the company's other assets.

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2020 | 2019 |
|---------|-----------------|----------------|---------------|---------------|
| | | | £ | £ |
| 17,840 | Ordinary shares | £1 | <u>17,840</u> | <u>17,840</u> |

11. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Russell Spencer (Senior Statutory Auditor)
for and on behalf of Acre Accountancy Limited

12. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. Contributions totalling £19,429 (2019: £19,909) were payable to the fund at the year end and are included in creditors.

13. **CONTINGENT LIABILITIES**

In February 2019 there was a critical incident at our Hereford plant which resulted in the sad death of one of our employees. The incident is being fully investigated by the relevant authorities. As the investigation has not been concluded, the directors are unable to quantify any costs that may result from this investigation.

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.