

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

CENTRAL ELECTRICAL ARMATURE WINDING CO.
LIMITED

**CENTRAL ELECTRICAL ARMATURE WINDING CO.
LIMITED (REGISTERED NUMBER: 01303644)**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**CENTRAL ELECTRICAL ARMATURE WINDING CO.
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:	T J Sutton S W Sutton I P Riley
SECRETARY:	Corporate Officer Solutions Ltd
REGISTERED OFFICE:	Kitling Road Knowsley Industrial Park South Liverpool L34 9JA
REGISTERED NUMBER:	01303644 (England and Wales)
AUDITORS:	Additions Statutory Auditors One Derby Square Liverpool L2 9QR

**CENTRAL ELECTRICAL ARMATURE WINDING CO.
LIMITED (REGISTERED NUMBER: 01303644)**

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	5		385,177		402,635
CURRENT ASSETS					
Stocks		726,068		752,375	
Debtors	6	2,784,457		2,489,388	
Cash at bank and in hand		<u>673,370</u>		<u>763,923</u>	
		4,183,895		4,005,686	
CREDITORS					
Amounts falling due within one year	7	<u>1,209,763</u>		<u>2,156,241</u>	
NET CURRENT ASSETS			<u>2,974,132</u>		<u>1,849,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,359,309		2,252,080
CREDITORS					
Amounts falling due after more than one year	8		(594,905)		(656,269)
PROVISIONS FOR LIABILITIES	11		<u>(15,285)</u>		<u>(18,603)</u>
NET ASSETS			<u>2,749,119</u>		<u>1,577,208</u>
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Retained earnings			<u>2,748,119</u>		<u>1,576,208</u>
SHAREHOLDERS' FUNDS			<u>2,749,119</u>		<u>1,577,208</u>

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 Board of Directors and authorised for issue on 21 September 2022 and were signed on its behalf by:

I P Riley - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Central Electrical Armature Winding 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.

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.

Going concern

The company has seen no significant impact from COVID-19 with regards to its operational performance. The company has made the required changes to its operations for health and safety reasons to mitigate any possible exposure to COVID-19 to our staff and those who work with Central. The business sector in which the company operates and the customers we deal with shows no significant indication of a downturn in work.

Given this, and on the basis of current financial projections and facilities available to the company the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they consider that it is appropriate to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

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.

Plant and machinery	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 20% straight line

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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 31 DECEMBER 2021

3. **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.

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 capital element of the future payments is treated as a liability. The interest element of these obligations is charged to the profit and loss account over the relevant period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

The benefits of lease incentives are recognised in the income statement over the lease period.

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.

Invoice financing

The company has adopted the separate presentation method of accounting, whereby gross factored debts are included in the balance sheet as an asset and the advances from the factor are included in creditors as a liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Short term debtors and creditors

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Borrowings

Interest bearing loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expenditure which are of exceptional size or incidence and are presented within the line items to which they best relate.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 63 (2020 - 65) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 January 2021	1,054,205	397,399	415,937	1,867,541
Additions	3,055	20,000	41,957	65,012
Disposals	-	(9,950)	-	(9,950)
At 31 December 2021	<u>1,057,260</u>	<u>407,449</u>	<u>457,894</u>	<u>1,922,603</u>
DEPRECIATION				
At 1 January 2021	825,834	260,679	378,393	1,464,906
Charge for year	22,964	35,012	23,643	81,619
Eliminated on disposal	-	(9,099)	-	(9,099)
At 31 December 2021	<u>848,798</u>	<u>286,592</u>	<u>402,036</u>	<u>1,537,426</u>
NET BOOK VALUE				
At 31 December 2021	<u>208,462</u>	<u>120,857</u>	<u>55,858</u>	<u>385,177</u>
At 31 December 2020	<u>228,371</u>	<u>136,720</u>	<u>37,544</u>	<u>402,635</u>

Included within the net book value of tangible fixed assets is £74,073 (2020 - £112,542) in respect of assets held under hire purchase contracts. Depreciation charged in respect of these assets during the year amounted to £26,682 (2020 - £34,770).

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	975,170	1,427,459
Amounts owed by group undertakings	57,515	207,515
Other debtors	1,751,772	854,414
	<u>2,784,457</u>	<u>2,489,388</u>

Amounts owed by group undertakings are unsecured, interest free, and have no fixed date for repayment.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts	180,118	-
Hire purchase contracts (see note 9)	28,216	42,690
Trade creditors	514,673	591,129
Taxation and social security	179,318	735,800
Other creditors	307,438	786,622
	<u>1,209,763</u>	<u>2,156,241</u>

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

	2021 £	2020 £
Bank loans	63,632	-
Hire purchase contracts (see note 9)	28,746	56,354
Other creditors	502,527	599,915
	<u>594,905</u>	<u>656,269</u>

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	28,216	42,690
Between one and five years	<u>28,746</u>	<u>56,354</u>
	<u>56,962</u>	<u>99,044</u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	61,175	61,175
Between one and five years	<u>61,175</u>	<u>122,350</u>
	<u>122,350</u>	<u>183,525</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	243,750	-
Hire purchase contracts	<u>56,962</u>	<u>99,044</u>
	<u>300,712</u>	<u>99,044</u>

11. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	73,183	76,501
Other timing differences	<u>(57,898)</u>	<u>(57,898)</u>
	<u>15,285</u>	<u>18,603</u>
		Deferred tax
		£
Balance at 1 January 2021		18,603
Accelerated capital allowances		<u>(3,318)</u>
Balance at 31 December 2021		<u>15,285</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

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

The Report of the Auditors was unqualified.

Maxine Desse BA (Econ) FCA (Senior Statutory Auditor)
for and on behalf of Additions

14. **CONTINGENT LIABILITIES**

The company has given a guarantee to Lloyds Bank plc in respect of a bank loan provided to Orangemead Limited, the parent company. At 31 December 2021, the balance on the loan was £87,603 (2020 - £141,471).

15. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021 £	2020 £
S W Sutton		
Balance outstanding at start of year	229,998	229,998
Amounts advanced	511,307	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>741,305</u>	<u>229,998</u>
T J Sutton		
Balance outstanding at start of year	214,902	214,902
Amounts advanced	511,384	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>726,286</u>	<u>214,902</u>

The loans to directors are interest free and repayable on demand.

16. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

17. **ULTIMATE CONTROLLING PARTY**

The directors S W Sutton and T J Sutton control the company by virtue of their controlling interest in the share capital of Orangemead Limited, the ultimate parent company.

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.