

Company registration number 04226017 (England and Wales)

FORGECO LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

FORGECO LTD

COMPANY INFORMATION

Directors Mr Davinder Bhasin
Mr R S Dale

Secretary Mr Rikki Dale

Company number 04226017

Registered office Swarn House
Meadow Lane
Coseley
Bilston
West Midlands
United Kingdom
WV14 9NQ

Accountants BK Plus Limited
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

FORGECO LTD

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FORGECO LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024

The directors present their annual report and financial statements for the year ended 30 April 2024.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Davinder Bhasin

Mr R S Dale

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr R S Dale

Director

28 January 2025

FORGECO LTD

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF FORGECO LTD

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Forgeco Ltd for the year ended 30 April 2024 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the board of directors of Forgeco Ltd, as a body, in accordance with the terms of our engagement letter dated 5 March 2024. Our work has been undertaken solely to prepare for your approval the financial statements of Forgeco Ltd and state those matters that we have agreed to state to the board of directors of Forgeco Ltd, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Forgeco Ltd and its board of directors as a body for our work or for this report.

It is your duty to ensure that Forgeco Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Forgeco Ltd. You consider that Forgeco Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Forgeco Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

BK Plus Limited

Chartered Certified Accountants Accountants
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ
28 January 2025

FORGECO LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2024

	Notes	2024 £	2023 £
Turnover		3,254,426	2,843,732
Cost of sales		(2,456,329)	(2,108,067)
Gross profit		798,097	735,665
Distribution costs		(185,243)	(322,515)
Administrative expenses		(393,851)	(403,215)
Operating profit		219,003	9,935
Interest payable and similar expenses		(11,406)	(30,105)
Profit/(loss) before taxation		207,597	(20,170)
Tax on profit/(loss)		(38,893)	2,346
Profit/(loss) for the financial year		168,704	(17,824)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FORGECO LTD

BALANCE SHEET

AS AT 30 APRIL 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	4		67,212		5
Current assets					
Stocks		829,013		1,138,509	
Debtors	5	1,571,386		1,151,763	
Cash at bank and in hand		66,739		387,938	
		<u>2,467,138</u>		<u>2,678,210</u>	
Creditors: amounts falling due within one year	6	<u>(341,197)</u>		<u>(440,371)</u>	
Net current assets			2,125,941		2,237,839
Total assets less current liabilities			2,193,153		2,237,844
Creditors: amounts falling due after more than one year	7		-		(225,139)
Provisions for liabilities			<u>(11,744)</u>		<u>-</u>
Net assets			<u>2,181,409</u>		<u>2,012,705</u>
Capital and reserves					
Called up share capital			80,002		80,002
Profit and loss reserves			2,101,407		1,932,703
Total equity			<u>2,181,409</u>		<u>2,012,705</u>

For the financial year ended 30 April 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 28 January 2025 and are signed on its behalf by:

Mr R S Dale
Director

Company registration number 04226017 (England and Wales)

FORGECO LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2024

1 Accounting policies

Company information

Forgeco Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Swarn House, Meadow Lane, Coseley, Bilston, West Midlands, United Kingdom, WV14 9NQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% straight line
Computers	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

FORGECO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Total	9	6

4 Tangible fixed assets

	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost				
At 1 May 2023	8,055	4,471	35,750	48,276
Additions	-	-	70,220	70,220
Disposals	-	-	(35,750)	(35,750)
At 30 April 2024	8,055	4,471	70,220	82,746
Depreciation and impairment				
At 1 May 2023	8,054	4,468	35,749	48,271
Depreciation charged in the year	-	-	3,012	3,012
Eliminated in respect of disposals	-	-	(35,749)	(35,749)
At 30 April 2024	8,054	4,468	3,012	15,534
Carrying amount				
At 30 April 2024	1	3	67,208	67,212
At 30 April 2023	1	3	1	5

5 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	850,448	813,030
Other debtors	720,938	338,733
	1,571,386	1,151,763

FORGECO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

6 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans	-	100,000
Trade creditors	43,857	38,174
Corporation tax	92,088	63,324
Other taxation and social security	150,899	159,517
Other creditors	54,353	79,356
	<u>341,197</u>	<u>440,371</u>

7 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Bank loans and overdrafts	-	225,139
	<u>-</u>	<u>225,139</u>

FORGECO LTD

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2024

	2024 £	2024 £	2023 £	2023 £
Turnover				
Sales of goods		3,254,426		2,843,732
Cost of sales				
Opening stock of finished goods	1,138,509		1,283,651	
Raw materials purchases	2,146,833		1,962,925	
Closing stock of finished goods	(829,013)		(1,138,509)	
Total cost of sales		(2,456,329)		(2,108,067)
Gross profit	24.52%	798,097	25.87%	735,665
Distribution costs				
Transport	185,135		322,300	
Container rent	108		215	
		(185,243)		(322,515)
Administrative expenses				
Wages and salaries	208,078		148,871	
Social security costs	14,070		7,571	
Staff training	15,000		-	
Staff pension costs defined contribution	4,635		2,282	
Management charge	15,000		60,000	
Rates and water	60,000		60,000	
Premises expenses	5,682		-	
Premises insurance	4,823		4,725	
Motor running expenses	13,674		13,581	
Travel and subsistence	3,151		9,161	
Legal and professional fees	15,144		15,750	
Accountancy	3,200		3,205	
Charitable donations	1,404		237	
Bank charges	2,702		486	
Factoring charges	31,791		47,335	
Bad and doubtful debts	(402)		8,980	
Insurances (not premises)	-		17	
Printing and stationery	433		1,653	
Advertising	3,109		3,183	
Telecommunications	1,200		1,200	
Entertaining	2,993		2,264	
Sundry expenses	648		965	
Depreciation	3,012		-	
Profit or loss on sale of tangible assets	(19,999)		(1,000)	
Profit or loss on foreign exchange	4,503		12,749	
		(393,851)		(403,215)
Operating profit		219,003		9,935

FORGECO LTD

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

	2024 £	2024 £	2023 £	2023 £
Interest payable and similar expenses				
Bank interest on loans and overdrafts	9,791		20,079	
Interest payable on overdue taxation	1,615		10,026	
	<hr/>	(11,406)	<hr/>	(30,105)
Profit/(loss) before taxation	6.38%	<u>207,597</u>	0.71%	<u>(20,170)</u>
