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COMPANY REGISTRATION NUMBER: 04226017

Forgeco Limited
Unaudited Financial Statements
30 April 2022

GARRATTS WOLVERHAMPTON LIMITED

Chartered accountants
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

Forgeco Limited
Financial Statements
Year ended 30 April 2022

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Forgeco Limited

Officers and Professional Advisers

The Board of Directors

R Dale
D Bhasin

Company Secretary

Rikki Dale

Registered Office

Swarn House
Meadow Lane
Coseley
Bilston
West Midlands
WV14 9NQ

Accountants

Garratts Wolverhampton Limited
Chartered accountants
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

Bankers

Barclays Bank PLC
313 High Street
West Bromwich
West Midlands
B70 8LU

Forgeco Limited

Directors' Report

Year ended 30 April 2022

The directors present their report and the unaudited financial statements of the company for the year ended 30 April 2022.

Directors

The directors who served the company during the year were as follows:

R Dale
D Bhasin

Small company provisions

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

This report was approved by the board of directors on 24 May 2023 and signed on behalf of the board by:

Rikki Dale
Company Secretary

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

Forgeco Limited
Statement of Income and Retained Earnings
Year ended 30 April 2022

	Note	2022 £	2021 £
Turnover		4,700,107	4,468,010
Cost of sales		<u>3,391,368</u>	<u>3,637,285</u>
Gross profit		1,308,739	830,725
Distribution costs		799,641	301,514
Administrative expenses		385,869	334,869
Other operating income		<u>11,411</u>	<u>75,321</u>
Operating profit		134,640	269,663
Interest payable and similar expenses		<u>9,677</u>	<u>135</u>
Profit before taxation	5	124,963	269,528
Tax on profit		<u>24,441</u>	<u>52,283</u>
Profit for the financial year and total comprehensive income		<u>100,522</u>	<u>217,245</u>
Retained earnings at the start of the year		1,850,005	1,632,760
Retained earnings at the end of the year		<u>1,950,527</u>	<u>1,850,005</u>

All the activities of the company are from continuing operations.

The notes on pages 6 to 10 form part of these financial statements.

Forgeco Limited
Statement of Financial Position
30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	5	5,213
Current assets			
Stocks		1,317,815	365,792
Debtors	7	2,204,292	2,048,075
Cash at bank and in hand		200,423	1,045,150
		<u>3,722,530</u>	<u>3,459,017</u>
Creditors: amounts falling due within one year	8	<u>1,367,006</u>	<u>1,109,223</u>
Net current assets		<u>2,355,524</u>	<u>2,349,794</u>
Total assets less current liabilities		<u>2,355,529</u>	<u>2,355,007</u>
Creditors: amounts falling due after more than one year	9	<u>325,000</u>	<u>425,000</u>
Net assets		<u>2,030,529</u>	<u>1,930,007</u>
Capital and reserves			
Called up share capital		80,002	80,002
Profit and loss account		1,950,527	1,850,005
Shareholders funds		<u>2,030,529</u>	<u>1,930,007</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 April 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.
The notes on pages 6 to 10 form part of these financial statements.

Forgeco Limited

Statement of Financial Position *(continued)*

30 April 2022

These financial statements were approved by the board of directors and authorised for issue on 24 May 2023, and are signed on behalf of the board by:

R Dale
Director

Company registration number: 04226017

The notes on pages 6 to 10 form part of these financial statements.

Forgeco Limited
Notes to the Financial Statements
Year ended 30 April 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Swarn House, Meadow Lane, Coseley, Bilston, West Midlands, WV14 9NQ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

(d) Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

(e) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

(f) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Forgeco Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

(g) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Office equipment	-	25% straight line

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

(i) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

(j) Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Forgeco Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

(k) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

(l) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

(m) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2021: 6).

Forgeco Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

5. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>5,208</u>	<u>8,928</u>

6. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 May 2021 and 30 April 2022	<u>8,055</u>	<u>69,615</u>	<u>4,471</u>	<u>82,141</u>
Depreciation				
At 1 May 2021	8,054	64,406	4,468	76,928
Charge for the year	—	5,208	—	5,208
At 30 April 2022	<u>8,054</u>	<u>69,614</u>	<u>4,468</u>	<u>82,136</u>
Carrying amount				
At 30 April 2022	<u>1</u>	<u>1</u>	<u>3</u>	<u>5</u>
At 30 April 2021	<u>1</u>	<u>5,209</u>	<u>3</u>	<u>5,213</u>

7. Debtors

	2022	2021
	£	£
Trade debtors	<u>1,260,763</u>	1,876,305
Other debtors	<u>943,529</u>	<u>171,770</u>
	<u>2,204,292</u>	<u>2,048,075</u>

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>100,000</u>	75,000
Trade creditors	<u>188,180</u>	135,380
Accruals and deferred income	<u>6,090</u>	5,945
Corporation tax	<u>108,323</u>	83,982
Social security and other taxes	<u>204,580</u>	257,534
Invoice discounting creditor	<u>759,356</u>	291,334
Amounts owed to related parties	—	259,680
Other creditors	<u>477</u>	368
	<u>1,367,006</u>	<u>1,109,223</u>

Invoice discounting creditor represents advances under an invoice discounting agreement. These advances are secured on the company's assets.

Forgeco Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

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

	2022	2021
	£	£
Bank loans and overdrafts	<u>325,000</u>	<u>425,000</u>

10. Directors' advances, credits and guarantees

There were no directors advances, credits or guarantees during the year.

11. Related party transactions

The company was under the control of the directors during the current and previous years.

No transactions with related companies were undertaken such as are required to be disclosed under FRS102.

Forgeco Limited
Management Information
Year ended 30 April 2022

The following pages do not form part of the financial statements.

Forgeco Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Forgeco Limited

Year ended 30 April 2022

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 Limited for the year ended 30 April 2022, which comprise the statement of income and retained earnings, statement of financial position 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 Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Forgeco Limited, as a body, in accordance with the terms of our engagement letter dated 31 January 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Forgeco Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Forgeco Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Forgeco Limited 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 Limited. You consider that Forgeco Limited 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 Limited. 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.

GARRATTS WOLVERHAMPTON LIMITED
Chartered accountants

29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

24 May 2023

Forgeco Limited
Detailed Income Statement
Year ended 30 April 2022

	2022 £	2021 £
Turnover	4,700,107	4,468,010
Cost of sales		
Opening stock	365,792	1,224,099
Purchases	<u>4,309,227</u>	<u>2,778,978</u>
	4,675,019	4,003,077
Closing stock	<u>1,283,651</u>	<u>365,792</u>
	3,391,368	3,637,285
Gross profit	<u>1,308,739</u>	<u>830,725</u>
Overheads		
Distribution costs	799,641	301,514
Administrative expenses	<u>385,869</u>	<u>334,869</u>
	1,185,510	636,383
Other operating income	<u>11,411</u>	<u>75,321</u>
Operating profit	<u>134,640</u>	<u>269,663</u>
Interest payable and similar expenses	<u>(9,677)</u>	<u>(135)</u>
Profit before taxation	<u><u>124,963</u></u>	<u><u>269,528</u></u>

Forgeco Limited
Notes to the Detailed Income Statement
Year ended 30 April 2022

	2022 £	2021 £
Distribution costs		
Transport	794,523	298,952
Container rent	5,118	2,562
	<u>799,641</u>	<u>301,514</u>
Administrative expenses		
Wages and salaries	137,666	121,681
Employers national insurance contributions	6,652	7,428
Staff pension contributions	2,417	2,478
Rent rates and water	10,000	—
Light and heat	23,671	—
Insurance	6,546	5,904
Motor expenses	10,004	25,404
Travel and subsistence	2,412	4,002
Telephone	1,200	1,200
Printing postage and stationery	1,118	450
Sundry expenses	120	553
Advertising	10,054	6,289
Entertaining	1,672	192
Management charges payable	110,000	78,000
Legal and professional fees	14,626	9,074
Accountancy fees	3,045	3,045
Depreciation of tangible assets	5,208	8,928
Bad debts	—	7,057
Factoring charges	35,866	40,835
Bank charges	4,468	6,824
Foreign currency gains/losses	(876)	5,525
	<u>385,869</u>	<u>334,869</u>
Other operating income		
Government grant income	11,411	75,321
Interest payable and similar expenses		
HP interest charges	—	135
Interest payable	9,677	—
	<u>9,677</u>	<u>135</u>