Registration number: 02201035

WHITE BROS. (N'CLE-ON-TYNE) LIMITED

Filleted Annual Report and Financial Statements

for the Year Ended 31 December 2019

White Bros. (N'cle-on-Tyne) Limited

Company Information

Directors	G Wragby S P Roberts P J Harding
Registered office	Units 4/5 Christon Road Gosforth Ind Est Newcastle upon Tyne NE3 1XD
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Bankers	Yorkshire Bank 131 - 135 Northumberland Street Newcastle upon Tyne NE1 7AG

White Bros. (N'cle-on-Tyne) Limited

(Registration number: 02201035)
Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	465,774	475,707
Investments	5	1	2
		465,775	475,709
Current assets			
Stocks	6	50,289	47,361
Debtors	7	990,027	891,682
Cash at bank and in hand		342,632	183,828
		1,382,948	1,122,871
Creditors: Amounts falling due within one year	8	(587,763)	(453,367)
Net current assets		795,185	669,504
Total assets less current liabilities		1,260,960	1,145,213
Creditors: Amounts falling due after more than one year	8	(129,492)	(158,415)
Net assets		1,131,468	986,798
Capital and reserves			
Called up share capital		20,000	20,000
Capital redemption reserve		110,100	110,100
Revaluation reserve		93,324	95,445
Profit and loss account		908,044	761,253
Total equity		1,131,468	986,798

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

Approved and authorised by the Board on 16.06.2020 and signed on its behalf by:

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P J Harding
Director

The notes on pages 3 to 12 form an integral part of these financial statements.

White Bros. (N'cle-on-Tyne) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is Units 4/5, Christon Road, Gosforth Ind Est, Newcastle upon Tyne, NE3 1XD.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

Group accounts not prepared
The company has taken advantage of the option not to prepare consolidated financial statements contained in section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Going concern
The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

In the directors assessment of possible changes they have considered a fall in demand and potential cost savings which are reflective of their business continuity plan. Key scenarios and assumptions are as follows:

2 Accounting policies (continued)

• That the company's business will continue operating at a reduced capacity for the 3 months to 30 June 2020, before gradually returning to normal trading levels by the end of the year;
• That the entity will avail itself of available reliefs put forward by HM Government including:
- Delayed PAYE and VAT payments
- Furloughing of underutilised staff

Although the modelling performed taking account of the matters above supports the ability of the company to be remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of COVID-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
the amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 in the countries where the company operates and generates taxable income.

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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.

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.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Leasehold property	2% straight line
Plant and machinery	12.5% straight line
Office equipment	25% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

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.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

The company has an arrangement with a supplier of steel products whereby stocks are held at the company premises but are not invoiced until used for production. In the opinion of the director, legal title does not pass until this point, therefore these consignment stocks are not included in the company's statement of financial position. The value of consignment stocks held at the company's premises at the reporting date was £28,011 (2018 - £24,914).

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2 Accounting policies (continued)

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	6,325	6,150

4 Tangible assets

	Long leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2019	423,000	957,654	92,546	1,473,200
Additions	-	23,386	15,490	38,876
Disposals	-	(3,206)	-	(3,206)
At 31 December 2019	423,000	977,834	108,036	1,508,870
Depreciation				
At 1 January 2019	42,300	890,265	64,928	997,493
Charge for the year	8,460	29,889	10,460	48,809
Eliminated on disposal	-	(3,206)	-	(3,206)
At 31 December 2019	50,760	916,948	75,388	1,043,096
Carrying amount				
At 31 December 2019	372,240	60,886	32,648	465,774
At 31 December 2018	380,700	67,389	27,618	475,707

Revaluation

The fair value of the company's Land and buildings was revalued on 16 May 2013 by an independent valuer. The name and qualification of the independent valuer was Andrew J Tucker BSc MRICS.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £239,708 (2018 - £248,800).

5 Investments

	2019 £	2018 £
Investments in subsidiaries	1	1
Investments in associates	-	1
	1	2

Subsidiaries	£
Cost or valuation	
At 1 January 2019	188,218
At 31 December 2019	188,218
Provision	
At 1 January 2019	188,217
At 31 December 2019	188,217
Carrying amount	
At 31 December 2019	1
At 31 December 2018	1

The company owns 100% of the issued share capital of Sparkfirm Limited, a company registered in England and Wales.

Associates	£
Cost	
At 1 January 2019	11,469
Disposals	(11,469)
At 31 December 2019	-
Provision	
At 1 January 2019	11,468
Eliminated on disposals	(11,468)
At 31 December 2019	-
Carrying amount	
At 31 December 2019	-
At 31 December 2018	1

On 31 May 2019, the company disposed of its 0.07% shareholding in Continuous Retorts Limited, a company incorporated in England and Wales.

6 Stocks

	2019 £	2018 £
Raw materials and consumables	50,289	47,361

7 Debtors

	2019 £	2018 £
Trade debtors	713,927	554,494
Directors loan accounts	11,873	52,050
Prepayments	88,307	85,090
Other debtors	144,895	119,592
Corporation tax asset	31,025	80,456
	990,027	891,682

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	9	41,864	42,290
Trade creditors		247,278	205,132
Taxation and social security		156,798	115,932
Accruals and deferred income		72,880	25,722
Other creditors		68,943	64,291
		587,763	453,367

Creditors include bank loans and net obligations under finance lease and hire purchase contracts which are secured of £41,864 (2018 - £42,290).

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	9	129,492	158,415

Creditors include bank loans and net obligations under finance lease and hire purchase contracts which are secured of £129,492 (2018 - £158,415).

Creditors include bank loans repayable by instalments of £36,237 (2018 - £58,271) due after more than five years.

9 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	18,190	17,171
Hire purchase and finance lease liabilities	23,674	25,119
	41,864	42,290

	2019 £	2018 £
Non-current loans and borrowings		
Bank borrowings	118,056	135,609
Hire purchase and finance lease liabilities	11,436	22,806
	129,492	158,415

10 Dividends

	2019 £	2018 £
Interim dividend of £6.30 (2018 - £5.64) per ordinary share	126,018	112,754

11 Related party transactions

The company held a small investment in the share capital of Continuous Retorts Limited until 31 May 2019. During the year the company made sales, invoiced rents and recharged expenses totalling £18,590 (2018 - £49,008) to Continuous Retorts Limited. The balance outstanding at the year end included in trade debtors is £Nil (2018 - £96).

Transactions with directors

2019	At 1 January 2019 £	Advances to directors £	Repayments by director £	At 31 December 2019 £
P J Harding				
Director's loan account	52,050	11,873	(52,050)	11,873

2018	At 1 January 2018 £	Advances to directors £	Repayments by director £	At 31 December 2018 £
P J Harding				
Director's loan account	40,603	66,650	(55,203)	52,050

White Bros. (N'cle-on-Tyne) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

12 Parent and ultimate parent undertaking

The ultimate controlling party is P J Harding.

13 Audit report

The Independent Auditor's Report was unqualified.

Material uncertainty relating to going concern
We draw attention to note 2 in the financial statements, which indicates that the directors have prepared financial modelling based on their assessment of the impact of the COVID-19 virus on the business. The unknown impact of the COVID-19 virus indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The name of the Senior Statutory Auditor who signed the audit report on 17/06/2020. was Paul Shields FCA, who signed for and on behalf of MHA Tait Walker.

MHA Tait Walker is a trading name of Tait Walker LLP.