Registration number: 02201035

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

Filleted Annual Report and Financial Statements

for the Year Ended 31 December 2020

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

Contents

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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	732,441	465,774
Investments	6	1	1
		732,442	465,775
Current assets			
Stocks	7	47,208	50,289
Debtors	8	684,470	990,027
Cash at bank and in hand		375,483	342,632
		1,107,161	1,382,948
Creditors: Amounts falling due within one year	9	(840,373)	(587,763)
Net current assets		266,788	795,185
Total assets less current liabilities		999,230	1,260,960
Creditors: Amounts falling due after more than one year	9	(2,187)	(129,492)
Net assets		997,043	1,131,468
Capital and reserves			
Called up share capital		20,000	20,000
Capital redemption reserve		110,100	110,100
Revaluation reserve		91,203	93,324
Profit and loss account		775,740	908,044
Total equity		997,043	1,131,468

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 27/05/2021 and signed on its behalf by:

....
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 2020

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 had bank borrowings of £417,828 as at 31 December 2020. At the year the company breached a covenant in relation to these bank borrowings with Clydesdale Bank PLC [trading as Yorkshire Bank] (the "bank"). The bank have acknowledged and waived the breaches of the covenant subsequent to the year end. The directors are confident that the company will be in a position to comply with the covenant going forward and maintain the positive relationship with the bank.

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.

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.

2 Accounting policies (continued)

The forecasts prepared support the ability of the company to remain a going concern and to be able to trade and meet its debts as they fall due. However, the directors recognise the full impact of COVID-19 and the underlying trading assumptions relating to COVID-19 are difficult to predict and could be subject to significant variation.

Based on the factors set out above, the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of signing the financial statements. Therefore the directors consider it appropriate to prepare the financial statements on the going concern basis.

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.

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.

2 Accounting policies (continued)

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.

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.

2 Accounting policies (continued)

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 £29,195 (2019 - £28,011).

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 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 38 (2019 - 40).

4 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	6,450	6,325

5 Tangible assets

	Long leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2020	423,000	977,834	108,036	1,508,870
Additions	311,945	8,115	-	320,060
Disposals	-	(2,669)	(3,000)	(5,669)
At 31 December 2020	734,945	983,280	105,036	1,823,261
Depreciation				
At 1 January 2020	50,760	916,948	75,388	1,043,096
Charge for the year	14,635	28,332	10,426	53,393
Eliminated on disposal	-	(2,669)	(3,000)	(5,669)
At 31 December 2020	65,395	942,611	82,814	1,090,820
Carrying amount				
At 31 December 2020	669,550	40,669	22,222	732,441
At 31 December 2019	372,240	60,886	32,648	465,774

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 £536,323 (2019 - £239,708).

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

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

6 Investments

	2020 £	2019 £
Investments in subsidiaries	1	1

Subsidiaries	£
Cost or valuation	
At 1 January 2020	188,218
At 31 December 2020	188,218
Provision	
At 1 January 2020	188,217
At 31 December 2020	188,217
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

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

7 Stocks

	2020 £	2019 £
Raw materials and consumables	47,208	50,289

8 Debtors

	2020 £	2019 £
Trade debtors	338,343	713,927
Directors loan accounts	22,474	11,873
Prepayments	69,916	88,307
Other debtors	190,743	144,895
Corporation tax asset	62,994	31,025
	684,470	990,027

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	10	427,077	41,864
Trade creditors		156,575	247,278
Taxation and social security		114,593	156,798
Accruals and deferred income		21,759	72,880
Other creditors		120,369	68,943
		840,373	587,763

Creditors include bank loans and net obligations under finance lease and hire purchase contracts which are secured of £427,077 (2019 - £41,684).

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	10	2,187	129,492

Creditors include bank loans and net obligations under finance lease and hire purchase contracts which are secured of £2,187 (2019 - £129,492).

Creditors include bank loans repayable by instalments of £Nil (2019 - £36,237) due after more than five years.

The company had bank borrowings of £417,828 as at 31 December 2020. At the year end the company breached a covenant in relation to these bank borrowings with Clydesdale Bank PLC [trading as Yorkshire Bank] (the "bank"). The bank have acknowledged and waived the breaches of the covenant subsequent to the year end. The directors are confident that the company will be in a position to comply with the covenant going forward and maintain the positive relationship with the bank

As a result of the covenant breach, bank loans have been shown as payable within one year. Had the covenant breach not occurred or the company received a waiver from the bank prior to the year end, loans and borrowings due within one year would have been disclosed as £24,445 and amounts due after one year £393,383. Amounts repayable by instalments due after more than five years would have been £285,244.

10 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	417,828	18,190
Hire purchase and finance lease liabilities	9,249	23,674
	427,077	41,864

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	-	118,056
Hire purchase and finance lease liabilities	2,187	11,436
	2,187	129,492

11 Dividends

	2020 £	2019 £
Interim dividend of £4.40 (2019 - £6.30) per ordinary share	88,061	126,018

12 Related party transactions

Transactions with directors

2020	At 1 January 2020 £	Advances to directors £	Repayments by director £	At 31 December 2020 £
P J Harding				
Director's loan account	11,873	22,474	(11,873)	22,474

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

13 Parent and ultimate parent undertaking

The ultimate controlling party is P J Harding.

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

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

14 Audit report

The Independent Auditor's Report was unqualified.

The name of the Senior Statutory Auditor who signed the audit report on 11/06/2021........ 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.