

Company registration number 02232599 (England and Wales)

VALCO CINCINNATI LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
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VALCO CINCINNATI LIMITED

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VALCO CINCINNATI LIMITED

STATEMENT OF FINANCIAL POSITION

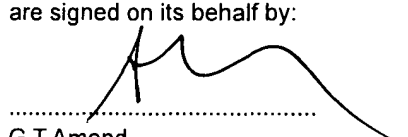
AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	5		61,236		67,353
Current assets					
Stocks		571,134		788,419	
Debtors	6	2,802,091		2,406,446	
Cash at bank and in hand		118,961		236,512	
		3,492,186		3,431,377	
Creditors: amounts falling due within one year	7	(473,806)		(750,381)	
Net current assets			3,018,380		2,680,996
Net assets			3,079,616		2,748,349
Capital and reserves					
Called up share capital			742,548		742,548
Profit and loss reserves			2,337,068		2,005,801
Total equity			3,079,616		2,748,349

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 27-03-24 and are signed on its behalf by:


G T Amend
Director

Company registration number 02232599 (England and Wales)

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Valco Cincinnati Limited is a private company limited by shares incorporated in England and Wales. The registered office is 23 St Leonards Road, Bexhill-on-Sea, East Sussex, TN40 1HH.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Income is recognised when the goods are despatched or when the services are rendered, maintenance contracts are recognised when billed. Uninvoiced work undertaken for customers at the year end is accrued at full retail value.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4 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:

Land and buildings Leasehold	Straight line over the life of the lease.
Plant and machinery	10% to 20% straight line.
Fixtures, fittings & equipment	10% to 33.3% 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.

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.6 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.

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.

1.7 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.

1.8 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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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.

1.10 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 income statement 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 is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

3 Employees

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

	2023 Number	2022 Number
Total	14	15

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2023 and 31 December 2023	162,000
Amortisation and impairment	
At 1 January 2023 and 31 December 2023	162,000
Carrying amount	
At 31 December 2023	-
At 31 December 2022	-

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2023	145,262	593,961	739,223
Additions	-	25,950	25,950
At 31 December 2023	145,262	619,911	765,173
Depreciation and impairment			
At 1 January 2023	145,262	526,608	671,870
Depreciation charged in the year	-	32,067	32,067
At 31 December 2023	145,262	558,675	703,937
Carrying amount			
At 31 December 2023	-	61,236	61,236
At 31 December 2022	-	67,353	67,353

6 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	901,765	951,284
Amounts owed by group undertakings	1,846,815	1,399,924
Other debtors	53,511	55,238
	2,802,091	2,406,446

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	-	87,134
Trade creditors	24,511	34,217
Amounts owed to group undertakings	115,493	144,779
Taxation and social security	198,238	111,514
Other creditors	135,564	372,737
	473,806	750,381

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Watters FCA BFP.
The statutory auditor was McPhersons CFG Ltd.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, totalling £359,196.

10 Related party transactions

Transactions with related parties are as detailed on the following page.

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Related party transactions

(Continued)

During the year the company entered into the following transactions with related parties:

	2023 £	2022 £
Sales to:		
Valco Cincinnati Inc	10,930	25,543
Valco Cincinnati GMBH	11,759	13,595
Valco Melton SLU	28,908	107,671
Valco Melton France SARL	54	14,207
Valco Melton Engineering India PVT Ltd	18,118	581
Valco Melton Mexico S de RL	4,223	-
ERO, SRL	-	50
Purchases from:		
Valco Cincinnati Inc	1,397,133	1,036,513
Valco Cincinnati GMBH	2,409	-
Valco Melton France SARL	71,530	3,852
Valco Melton SLU	1,265,621	1,431,265
Valco Melton Engineering India PVT Ltd	2,846	559
Valco Melton Poland	452	1,711
Valco Melton Belgium	31,399	27,823
ERO SRL	149,738	155,520
Vansco	-	171
Valco Brasil	-	1,393
FZE	404	-
Valco Melton Italy SRL	6,283	6,266
Management charges paid to:		
Valco Melton SLU	102,284	109,977
Valco Cincinnati GmbH	106,258	-

At the balance sheet date the following balances were outstanding with connected companies:

Debtors:		
Valco Cincinnati GMBH	-	2,478
Valco Melton SLU	1,845,559	1,334,371
ERO SRL	1,257	-
Valco Melton Engineering India PVT Ltd	-	4,763
Valco Melton Mexico S de RL	-	58,313
Creditors:		
Valco Cincinnati Inc	120,706	72,236
Valco Melton SLU	-	(932)
ERO Gluing Sytems	(5,607)	68,145
Valco Melton Engineering India PVT Ltd	-	2,081
Valco Cincinnati SRL	-	3,249
FZE	393	-

VALCO CINCINNATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Parent company

The parent company of the smallest group within which the company belongs and for which group financial statements are prepared is Valco Melton SLU whose registered office is Polígono Industrial Comarca I, Calle G Nave D34, 31160 Orkoien (Navarra), Spain