

Company Registration No. 02677990 (England and Wales)

**JVM CASTINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 4 APRIL 2021**



# JVM CASTINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C McCarthy R Murcott P W Murcott K Murcott
<b>Company number</b>	02677990
<b>Registered office</b>	Droitwich Road Worcester England WR3 7JX
<b>Auditor</b>	Spencer Gardner Dickins Audit LLP 3 Coventry Innovation Village Cheetah Road Coventry CV1 2TL

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# **JVM CASTINGS LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 31

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# **JVM CASTINGS LIMITED**

## **STRATEGIC REPORT**

***FOR THE PERIOD ENDED 4 APRIL 2021***

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### **Introduction**

JVM Castings Limited is a holding company that provides management expertise and strategic direction for the Group. The JVM Castings Limited group consists of the parent company and JVM Castings (Worcester) Limited.

The principal activity of the Group in the year under review was the manufacture, machining, assembly and supply of aluminium pressure diecastings.

### **Business Review Year Ending 4th April 2021**

For the year ending 4th April 2021 the consolidated results for JVM Castings Limited, are as follows

Turnover of £28.23 million  
Pre-Tax Profit of £0.84 million  
EBITDA of £1.92 million

We concluded last year's report stating that

".....We are planning on the basis that Brexit has a similar effect on JVM as COVID-19 for the next 12 months.

This modelling shows that even under these conditions JVM will continue to operate viably, and be well placed to take advantage of opportunity that arise in the marketplace.

Whilst we cannot imagine that this would be the case, we feel it prudent to plan for it."

Once again, our prudent planning has helped us weather the latest storm to hit global manufacturing; it was not Brexit but a global shortage of semiconductors which is impacting the global economy in 2021.

The directors believe that 2021 will offer different challenges, as the world transitions from the Covid lockdown and everyone tries to establish the new 'normal'.

The Sales team have continued to be successful in winning more business with both new and existing customers, and we are well placed to continue this winning streak.

Finally, the directors would like to thank all our employees for their support, co-operation and understanding through these difficult times.

In line with the dividend policy the directors are declaring a dividend of £152,000 for 2020/21

# **JVM CASTINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 4 APRIL 2021**

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### **Principal risks and uncertainties**

The directors are of the opinion that the group has adopted a thorough risk management process that involves the formal review of all the risks identified below. The board monitors and reviews risk on a regular basis in order to mitigate each risk area.

The principal financial risks facing the business are:

Reliance on certain key customers within the automotive industry  
Maintaining production efficiency  
Trading condition in automotive market post Brexit

### **Economic downturn**

The success of the company is reliant on consumer and industrial spending. An economic downturn, resulting in reduction of consumer spending power, may have a direct impact on the income achieved by the company. In response to this risk, senior management continually monitors economic conditions and customer forecasts.

### **People**

The success of the group is dependent upon the recruitment and retention of our employees. We have excellent working relationship with our highly competent workforce, resulting in a very pleasing average length of service.

### **Brexit**

The board views the impact of the new trading relationship between the EU and the United Kingdom as an integral part of its principal risks. Although the two parties have negotiated a free trade deal the impacts of the new border regulations are yet to be fully understood and as such the board will continue to assess the risk to the business as the relationship evolves.

### **Financial risk management**

The group took out a £1.2million Coronavirus Business Interruption Loan (CBIL) from the government in June 2020. The group has been repaying the loan after the period end and the balance of the loan in September 2021 was £600k and it is the intention of the directors to repay the loan fully by 31 December 2021. The main risks arising are interest rate, credit and liquidity. The board reviews and agrees policies for managing each risk.

### **Interest rate risk**

The company's exposure to market risk for changes in interest rates relates primarily to its invoice discounting facility where interest is paid at a margin above base rate.

### **Credit risk**

The group only trades with recognised, credit worthy third parties; credit is a privilege not a right. It is a group policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debt is not significant.

### **Liquidity risk**

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash in bank generated through trading and the invoice discounting facility.

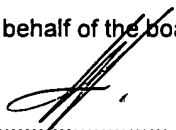
# **JVM CASTINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 4 APRIL 2021**

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On behalf of the board



.....  
P W Murcott  
**Director**

Date: 23/9/21.....

# JVM CASTINGS LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 4 APRIL 2021**

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The directors present their annual report and financial statements for the period ended 4 April 2021.

### Principal activities

The principal activity of the company and group continued to be that of manufacture, machining, assembly and supply of aluminium pressure diecastings.

### Results and dividends

The results for the period are set out on page 9.

Ordinary dividends were paid amounting to £380,581. The directors recommend payment of a final dividend amounting to £152,000.

### Directors

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

C McCarthy

R Murcott

P W Murcott

K Murcott

S Murcott

(Resigned 4 April 2021)

L Murcott

(Resigned 4 April 2021)

A Murcott

(Resigned 4 April 2021)

### Auditor

Spencer Gardner Dickins Audit LLP were appointed as auditor to the group and a resolution proposing that they be re-appointed will be put at a General Meeting.


### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk, management objectives, review of performance and future developments.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....  
P W Murcott

Director

Date: 23/4/21

# **JVM CASTINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 4 APRIL 2021**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# JVM CASTINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JVM CASTINGS LIMITED

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### Opinion

We have audited the financial statements of JVM Castings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 4 April 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 4 April 2021 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **JVM CASTINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JVM CASTINGS LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# JVM CASTINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JVM CASTINGS LIMITED

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- Enquiring of management and those charged with governance around actual and potential litigation and claims.
- Enquiring of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Spencer Gardner Dickins Audit LLP*

**Susan Thomas-Walls BSc BFP FCA (Senior Statutory Auditor)**  
For and on behalf of Spencer Gardner Dickins Audit LLP

*23/5/21*

**Chartered Accountants**  
**Statutory Auditor**

3 Coventry Innovation Village  
Cheetah Road  
Coventry  
CV1 2TL

## JVM CASTINGS LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 4 APRIL 2021

	Notes	Continuing operations 2021 £	Discontinued operations 2021 £	Period ended 4 April 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Year ended 29 March 2020 £
<b>Turnover</b>	<b>3</b>	28,228,163	-	28,228,163	34,477,839	159,681	34,637,520
Change in stocks of finished goods and in work in progress		323,292	-	323,292	(29,370)	-	(29,370)
Other operating income		1,714,320	-	1,714,320	-	-	-
Raw materials and consumables		(11,330,772)	-	(11,330,772)	(16,734,412)	-	(16,734,412)
Staff costs	<b>6</b>	(7,481,106)	-	(7,481,106)	(7,886,851)	-	(7,886,851)
Depreciation	<b>4</b>	(1,776,354)	-	(1,776,354)	(2,112,853)	-	(2,112,853)
Other operating expenses		(9,534,384)	-	(9,534,384)	(7,215,034)	(348,367)	(7,563,401)
<b>Operating profit</b>	<b>4</b>	143,159	-	143,159	499,319	(348,367)	310,633
Interest receivable and similar income	<b>8</b>	262	-	262	156	-	156
Interest payable and similar expenses	<b>9</b>	(59,535)	-	(59,535)	(117,823)	(4,477)	(122,300)
<b>Profit before taxation</b>		83,886	-	83,886	381,652	(4,477)	188,489
Tax on profit	<b>10</b>	3,098	-	3,098	172,457	17,286	189,743
<b>Profit for the financial period</b>	<b>25</b>	86,984	-	86,984	554,109	12,809	378,232

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

# JVM CASTINGS LIMITED

## GROUP BALANCE SHEET

AS AT 4 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		4,055,513		5,411,977
<b>Current assets</b>					
Stocks	17	1,747,415		1,424,123	
Debtors	18	9,900,251		8,798,786	
Cash at bank and in hand		285,328		133,810	
		11,932,994		10,356,719	
<b>Creditors: amounts falling due within one year</b>	19	(10,363,666)		(9,705,960)	
<b>Net current assets</b>			1,569,328		650,759
<b>Total assets less current liabilities</b>			5,624,841		6,062,736
<b>Creditors: amounts falling due after more than one year</b>	20		(68,596)		(212,894)
<b>Net assets</b>			5,556,245		5,849,842
<b>Capital and reserves</b>					
Called up share capital	24		879		879
Merger reserve	25		4,399,471		4,399,471
Profit and loss reserves	25		1,155,895		1,449,492
<b>Total equity</b>			5,556,245		5,849,842

The financial statements were approved by the board of directors and authorised for issue on 23/4/21 and are signed on its behalf by:

.....  
P W Murcott  
Director

# JVM CASTINGS LIMITED

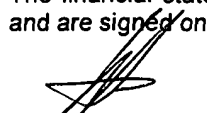
## COMPANY BALANCE SHEET

AS AT 4 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		-		414,667
Investments	15		22,529		22,879
			<u>22,529</u>		<u>437,546</u>
<b>Current assets</b>					
Debtors	18	186,417		914,536	
Cash at bank and in hand		-		90,735	
		<u>186,417</u>		<u>1,005,271</u>	
<b>Creditors: amounts falling due within one year</b>	19	(124,209)		(688,853)	
<b>Net current assets</b>			<u>62,208</u>		<u>316,418</u>
<b>Total assets less current liabilities</b>			<u>84,737</u>		<u>753,964</u>
<b>Creditors: amounts falling due after more than one year</b>	20		-		(94,426)
<b>Net assets</b>			<u>84,737</u>		<u>659,538</u>
<b>Capital and reserves</b>					
Called up share capital	24		879		879
Profit and loss reserves	25		83,858		658,659
<b>Total equity</b>			<u>84,737</u>		<u>659,538</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £194,220 (2020 - £128,271 loss).

The financial statements were approved by the board of directors and authorised for issue on 23/5/21 and are signed on its behalf by:

  
P W Murcott  
Director

Company Registration No. 02677990

# JVM CASTINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 4 APRIL 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2019		879	4,399,471	1,071,260	5,471,610
Year ended 29 March 2020:					
Profit and total comprehensive income for the year		-	-	378,232	378,232
Balance at 29 March 2020		879	4,399,471	1,449,492	5,849,842
Period ended 4 April 2021:					
Profit and total comprehensive income for the period		-	-	86,984	86,984
Dividends	12	-	-	(380,581)	(380,581)
Balance at 4 April 2021		879	4,399,471	1,155,895	5,556,245

# JVM CASTINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 4 APRIL 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2019</b>		879	786,930	787,809
<b>Year ended 29 March 2020:</b>				
Loss and total comprehensive income for the year		-	(128,271)	(128,271)
<b>Balance at 29 March 2020</b>		879	658,659	659,538
<b>Period ended 4 April 2021:</b>				
Loss and total comprehensive income for the period		-	(194,220)	(194,220)
Dividends	12	-	(380,581)	(380,581)
<b>Balance at 4 April 2021</b>		879	83,858	84,737



# JVM CASTINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 4 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	671,187		3,478,467	
Interest paid		(59,535)		(128,479)	
Income taxes refunded/(paid)		3,098		-	
<b>Net cash inflow from operating activities</b>		<b>614,750</b>		<b>3,349,988</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(419,887)		(487,003)	
Interest received		262		156	
<b>Net cash used in investing activities</b>		<b>(419,625)</b>		<b>(486,847)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		1,200,000		-	
Repayment of bank loans		(43,614)		(659,463)	
Payment of finance leases obligations		(249,010)		(366,330)	
Decrease in invoice discounting facility		(570,376)		(2,348,767)	
Dividends paid to equity shareholders		(380,581)		-	
<b>Net cash used in financing activities</b>		<b>(43,581)</b>		<b>(3,374,560)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>151,544</b>		<b>(511,419)</b>	
Cash and cash equivalents at beginning of period		133,784		645,203	
<b>Cash and cash equivalents at end of period</b>		<b>285,328</b>		<b>133,784</b>	

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 4 APRIL 2021**

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### 1 Accounting policies

#### Company information

JVM Castings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Droitwich Road, Worcester, England, WR3 7JX.

The group consists of JVM Castings Limited and all of its subsidiaries.

#### 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.

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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The directors have confirmed there is no overall controlling party for JVM Castings Limited.

#### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company JVM Castings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 4 April 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.4 Going concern

The directors have also assessed the impact of the COVID-19 pandemic on the current year and the anticipated impact on future performance and are satisfied there is no reasonable doubt as to the going concern of the business.

On 1 January 2021, the United Kingdom and the European Union began a new trading relationship following the end of the Brexit transition period. Despite there being some initial import/export challenges impacting our main customers, these have not substantially impacted their schedules and thus at present the directors have assessed that there are no substantial impacts on the business' trading volumes and operations. The directors continue to monitor the situation as it evolves.

On this basis and having prepared detailed forecasts under various scenarios and considered the support in place from the business's customers, bankers and suppliers the directors are confident that the company therefore has adequate resources and working capital to continue in operational existence for the foreseeable future to meet its ongoing liabilities and to deal with the issues arising from Brexit and also the continuing COVID-19 pandemic.

#### 1.5 Reporting period

These financial statements cover the period 30 March 2020 to 4 April 2021. The comparative figures cover the period 1 April 2019 to 29 March 2020.

#### 1.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

For products supplied to customers, turnover is recognised on despatch of the product. For tooling developed for customers, turnover is recognised based on the stage of completion of that tooling.

The following criteria must also be met before revenue is recognised:

Revenue is only recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life and has been fully amortised.

#### 1.8 Tangible fixed assets

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

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

Leasehold land and buildings	Over the term of the lease
Plant and equipment	2 to 20 years
Fixtures and fittings	3 to 10 years

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 recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group 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.

#### 1.11 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 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.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.13 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

#### 1.14 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.15 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 group'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.16 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.

#### 1.17 Retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### 1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

#### 1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.20 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.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements and which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Recoverability of amounts due from group undertakings**

The company makes an estimate of the recoverable value of amounts due from group undertakings. When assessing impairments, management consider factors including the current financial position of the group undertaking and historical experience.

#### **Amounts recoverable on contracts**

The company includes in amounts recoverable on contracts from customers costs which are to be recharged to customers at cost plus forecast margin where there is a reasonable expectation of recovery. The recognition of amounts recoverable on contracts requires significant judgement by management, specifically regarding the determining the stage of completion and forecast margin.

There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the financial year.

#### **Stock obsolescence provisions**

At each balance sheet date the directors assess stock for obsolescence. Due to the size and nature of stock this is a key accounting estimate.

The provision is calculated based on an estimate of the remaining life of stock held at the balance sheet date.

#### **Tangible and intangible fixed assets**

Judgements are required on estimating the useful economic lives of tangible and intangible fixed assets. Where an indication of impairment is identified the estimation of recoverable value requires estimation.

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sales of goods	26,179,232	27,686,537
Sales of tooling	2,048,931	6,950,983
	<u>28,228,163</u>	<u>34,637,520</u>

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 3 Turnover and other revenue

(Continued)

	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	262	156
Grants received	1,019,673	-
	<u>          </u>	<u>          </u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	25,738,197	34,378,884
Rest of the world	2,489,966	258,636
	<u>          </u>	<u>          </u>
	28,228,163	34,637,520
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	39,526	(17,864)
Government grants	(1,019,673)	-
Depreciation of owned tangible fixed assets	1,511,441	1,741,561
Depreciation of tangible fixed assets held under finance leases	229,752	268,216
Loss on disposal of tangible fixed assets	35,161	89,355
Cost of stocks recognised as an expense	11,007,480	16,763,782
Operating lease charges	1,131,927	1,265,893
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,000	14,000
Audit of the financial statements of the company's subsidiaries	22,000	28,000
	<u>          </u>	<u>          </u>
	27,000	42,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	32,697	21,250
	<u>          </u>	<u>          </u>



# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Production staff	178	197	-	-
Administrative staff	35	42	-	-
Management staff	13	14	13	14
Total	226	253	13	14

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	6,370,190	6,931,887	229,974	492,168
Social security costs	625,367	653,141	25,149	45,811
Pension costs	485,549	301,823	307,830	111,447
	7,481,106	7,886,851	562,953	649,426

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	125,313	169,808
Company pension contributions to defined contribution schemes	286,397	73,207
	411,710	243,015

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2020 - 7).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	10,000	89,265
Company pension contributions to defined contribution schemes	110,000	5,235

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 8 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	262	156

### 9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	31,367	19,885
Interest on invoice finance arrangements	17,236	88,168
Interest on finance leases and hire purchase contracts	10,932	14,247
<b>Total finance costs</b>	<b>59,535</b>	<b>122,300</b>

### 10 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(189,743)
Adjustments in respect of prior periods	(3,098)	-
<b>Total current tax</b>	<b>(3,098)</b>	<b>(189,743)</b>

The actual credit for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
<b>Profit before taxation</b>	<b>83,886</b>	<b>188,489</b>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)</b>	<b>15,938</b>	<b>35,813</b>
Tax effect of expenses that are not deductible in determining taxable profit	8,808	(189,067)
Change in unrecognised deferred tax assets	(24,746)	124,081
Adjustments in respect of prior years	(3,098)	(160,570)
<b>Taxation credit</b>	<b>(3,098)</b>	<b>(189,743)</b>

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

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### 11 Discontinued operations

As part of the Group's strategy to consolidate its production facilities, the Group ceased trading of JVM Castings (Tamworth) Limited during the year ended 31 March 2019. During the period, the company contributed post-tax profits of £nil (2020: £175,877). Included within the balance sheet at 4 April 2021 are net assets of £nil (2020: £102,962). The gross assets are stated at the lower of their book and net realisable value.

### 12 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	380,581	-

### 13 Intangible fixed assets

Group	Goodwill
	£
<b>Cost</b>	
At 30 March 2020 and 4 April 2021	4,598,986
<b>Amortisation and impairment</b>	
At 30 March 2020 and 4 April 2021	4,598,986
<b>Carrying amount</b>	
At 4 April 2021	-
At 29 March 2020	-

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 APRIL 2021

### 14 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 30 March 2020	1,133,498	24,597,915	146,334	25,877,747
Additions	48,859	371,028	-	419,887
Disposals	-	(979,041)	(146,334)	(1,125,375)
At 4 April 2021	1,182,357	23,989,902	-	25,172,259
<b>Depreciation and impairment</b>				
At 30 March 2020	892,981	19,428,347	144,442	20,465,770
Depreciation charged in the period	45,008	1,694,290	1,895	1,741,193
Eliminated in respect of disposals	-	(943,880)	(146,337)	(1,090,217)
At 4 April 2021	937,989	20,178,757	-	21,116,746
<b>Carrying amount</b>				
At 4 April 2021	244,368	3,811,145	-	4,055,513
At 29 March 2020	240,517	5,169,568	1,892	5,411,977
<b>Company</b>		<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 30 March 2020		700,084	146,335	846,419
Disposals		-	(146,335)	(146,335)
Transfers		(700,084)	-	(700,084)
At 4 April 2021		-	-	-
<b>Depreciation and impairment</b>				
At 30 March 2020		287,312	144,440	431,752
Depreciation charged in the period		79,404	1,895	81,299
Eliminated in respect of disposals		-	(146,335)	(146,335)
Transfers		(366,716)	-	(366,716)
At 4 April 2021		-	-	-
<b>Carrying amount</b>				
At 4 April 2021		-	-	-
At 29 March 2020		412,772	1,895	414,667

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 14 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	862,367	1,319,895	-	227,776

Tangible fixed assets are pledged as security for the Group's Loans

### 15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	22,529	22,879

#### Movements in fixed asset investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 30 March 2020	22,879
Disposals	(350)
At 4 April 2021	22,529
<b>Carrying amount</b>	
At 4 April 2021	22,529
At 29 March 2020	22,879

### 16 Subsidiaries

Details of the company's subsidiaries at 4 April 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
JVM Castings (Worcester) Limited	England	Manufacture, machining, assembly and supply of aluminium pressure diecastings	Ordinary	100.00

JVM Castings (Tamworth) Limited was liquidated during the year.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	455,297	372,656	-	-
Work in progress	754,122	862,146	-	-
Finished goods and goods for resale	537,996	189,321	-	-
	<u>1,747,415</u>	<u>1,424,123</u>	<u>-</u>	<u>-</u>

### 18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	8,969,664	6,913,687	-	-
Gross amounts owed by contract customers	130,962	888,499	-	-
Corporation tax recoverable	62	128,908	62	61,384
Amounts owed by group undertakings	-	-	184,026	759,120
Other debtors	286,769	503,232	2,329	94,032
Prepayments and accrued income	512,794	364,460	-	-
	<u>9,900,251</u>	<u>8,798,786</u>	<u>186,417</u>	<u>914,536</u>

### 19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	21	1,200,000	43,640	-	-
Obligations under finance leases	22	49,872	154,584	-	56,145
Trade creditors		3,902,019	3,916,606	-	-
Amounts owed to group undertakings		-	-	-	118,206
Other taxation and social security		1,049,471	667,467	88,369	90,952
Other creditors		2,740,229	4,019,168	35,840	423,550
Accruals and deferred income		1,422,075	904,495	-	-
		<u>10,363,666</u>	<u>9,705,960</u>	<u>124,209</u>	<u>688,853</u>

Amounts owed to group undertakings are non-interest bearing, unsecured and are repayable on demand

Finance leases are secured against the assets to which they relate.

Included within other creditors is £2,155,816 (2020: £2,726,192) in relation to an invoice discounting facility. The invoice discounting facility is secured by a fixed charge against the trade debtors to which it relates and by a floating charge over all assets of the group.

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	22	68,596	212,894	-	94,426

Finance leases are secured against the assets to which they relate.

### 21 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	1,200,000	43,614	-	-
Payable within one year	1,200,000	43,614	-	-

The bank loan from 2019 was secured over the associated fixed assets acquired. The bank loan was repayable in equal monthly instalments. Interest was charged at 2.5% above base rate. This bank loan has been fully repaid during the year.

The bank loan of £1,200,000 in 2020 is guaranteed by the UK Government under the CBILS scheme.

### 22 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	49,872	154,584	-	56,145
In two to five years	68,596	212,894	-	94,426
	118,468	367,478	-	150,571

### 23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	485,549	301,823

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 23 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The group was committed to pay £56,314 (2020: £45,811) in respect of defined contribution schemes at the balance sheet date.

### 24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
A Ordinary shares of 1p each	77,902	77,902	779	779
B Ordinary shares of 1p each	8,496	8,496	85	85
C Ordinary shares of 1p each	1,505	1,505	15	15
	<u>87,903</u>	<u>87,903</u>	<u>879</u>	<u>879</u>

The shares rank pari passu in all respects apart from the B ordinary shares and C ordinary shares which have no voting rights.

### 25 Reserves

#### Merger reserve

The merger reserve arose due to a business combination accounted for as a merger in a prior period.

#### Profit and loss reserve

The profit and loss account contains all current and prior period retained earnings net of dividends paid.

### 26 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	754,382	645,000	-	-
Between two and five years	2,708,997	2,590,000	-	-
In over five years	5,160,000	5,160,000	-	-
	<u>8,623,379</u>	<u>8,395,000</u>	<u>-</u>	<u>-</u>



# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 27 Related party transactions

#### Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Purchases 2021 £	2020 £
<b>Group</b>		
Key management personnel	1,983,900	645,009

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned companies within the group.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
<b>Group</b>		
Key management personnel	552,825	152,073

### 28 Cash generated from group operations

	2021 £	2020 £
Profit for the period after tax	86,984	378,232
<b>Adjustments for:</b>		
Taxation credited	(3,098)	(189,743)
Finance costs	59,535	128,479
Investment income	(262)	(156)
Loss on disposal of tangible fixed assets	35,161	89,355
Depreciation and impairment of tangible fixed assets	1,741,193	2,009,773
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(323,292)	24,854
(Increase)/decrease in debtors	(1,101,468)	3,625,528
Increase/(decrease) in creditors	176,434	(2,587,855)
<b>Cash generated from operations</b>	<b>671,187</b>	<b>3,478,467</b>

# JVM CASTINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 APRIL 2021

### 29 Analysis of changes in net debt - group

	30 March 2020 £	Cash flows £	4 April 2021 £
Cash at bank and in hand	133,784	151,544	285,328
Borrowings excluding overdrafts	(2,769,806)	(586,010)	(3,355,816)
Obligations under finance leases	(367,478)	249,010	(118,468)
	<u>(3,003,500)</u>	<u>(185,456)</u>	<u>(3,188,956)</u>