

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**  
**FOR**  
**LANARKSHIRE WELDING COMPANY LIMITED**

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**for the year ended 28 FEBRUARY 2023**

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**LANARKSHIRE WELDING COMPANY LIMITED**

**COMPANY INFORMATION**  
**for the year ended 28 FEBRUARY 2023**

**DIRECTORS:**

A W McDonald  
M A McDonald  
A D McDonald  
D E Pearson  
A R Clark  
J W Hett

**SECRETARY:**

J W Hett

**REGISTERED OFFICE:**

John Street  
Wishaw  
Lanarkshire  
ML2 7TQ

**REGISTERED NUMBER:**

SC023232 (Scotland)

**AUDITORS:**

Thomas Barrie & Co LLP  
Statutory Auditor  
Chartered Accountants  
Atlantic House  
1a Cadogan Street  
Glasgow  
G2 6QE

**STATEMENT OF FINANCIAL POSITION**  
**28 FEBRUARY 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	4	922,328	928,651
<b>CURRENT ASSETS</b>			
Stocks		10,944	289,354
Debtors	5	1,323,376	1,393,719
Cash at bank and in hand		<u>1,795,638</u>	<u>326,050</u>
		3,129,958	2,009,123
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>(2,444,453)</u>	<u>(1,393,364)</u>
<b>NET CURRENT ASSETS</b>		<u>685,505</u>	<u>615,759</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,607,833	1,544,410
<b>PROVISIONS FOR LIABILITIES</b>		(42,978)	(54,202)
<b>ACCRUALS AND DEFERRED INCOME</b>		<u>(200,365)</u>	<u>(203,422)</u>
<b>NET ASSETS</b>		<u>1,364,490</u>	<u>1,286,786</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		40,024	40,024
Capital redemption reserve		50,048	50,048
Other reserves		148,324	148,324
Retained earnings		<u>1,126,094</u>	<u>1,048,390</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,364,490</u>	<u>1,286,786</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 November 2023 and were signed on its behalf by:

A W McDonald - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 28 FEBRUARY 2023**

**1. STATUTORY INFORMATION**

Lanarkshire Welding Company Limited is a private company, limited by shares, registered in Scotland, registration number SC023232. The registered office is John Street, Wishaw, Lanarkshire, ML2 7TQ.

The principal activity of the company was welding and steel fabrication work.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentational and functional currency of the financial statements is Pounds Sterling (£).

**Going Concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Significant judgements and estimates**

In preparing these financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements:

**Fixed Assets**

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on management experience with similar assets. The depreciation rates being applied are outlined below.

**Work in progress**

Work in progress is valued at the lower of cost and net realisable value. It includes a share of overheads and the estimated profit earned to the year end, using the percentage completion method, and taking into account any anticipated losses.

**Turnover**

Turnover is measured at the fair value of consideration received or receivable, taking into account the amount of any discounts and rebates allowed by the entity, but excluding value added tax and other sales taxes.

**Services**

Income from welding and steel fabrication services mainly relates to construction contracts. Each contract is reviewed both pre and post year end, with an appropriate element of the estimated profit, calculated on the percentage completed method, being reflected in the accounts.

**Government grants**

Government grants in relation to tangible fixed assets are credited to profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to profit and loss. COVID related local authority grant funding is recognised on receipt, whereas grant funding received in relation to the Job Retention Scheme is recognised in the period in which the associated wages are paid.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 28 FEBRUARY 2023**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings - 1% on cost

Plant and machinery etc - 33% on cost, 25% on cost, 25% on reducing balance and 10% on cost

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be reasonable.

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress includes all direct expenditure, an appropriate proportion of fixed and variable overheads, and a profit element based on the stage of completion of contracts at the year end. Where a contract is known to be loss making, the full contract loss is recognised within work in progress at the year end.

**Financial instruments**

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, including bank overdrafts that are payable on demand and form an integral part of the company's cash management.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Provisions**

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 28 FEBRUARY 2023**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

**Short term employee benefits**

Short term employee benefits, including holiday pay, are recognised as an expense in profit and loss in the period in which they are incurred. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 66 (2022 - 64 ) .

**4. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 March 2022	1,029,368	931,291	1,960,659
Additions	-	72,213	72,213
At 28 February 2023	<u>1,029,368</u>	<u>1,003,504</u>	<u>2,032,872</u>
<b>DEPRECIATION</b>			
At 1 March 2022	345,773	686,235	1,032,008
Charge for year	9,188	69,348	78,536
At 28 February 2023	<u>354,961</u>	<u>755,583</u>	<u>1,110,544</u>
<b>NET BOOK VALUE</b>			
At 28 February 2023	<u>674,407</u>	<u>247,921</u>	<u>922,328</u>
At 28 February 2022	<u>683,595</u>	<u>245,056</u>	<u>928,651</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 28 FEBRUARY 2023**

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	1,228,106	1,204,556
Other debtors	95,270	189,163
	<u>1,323,376</u>	<u>1,393,719</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade creditors	504,598	605,067
Taxation and social security	540,146	265,560
Other creditors	1,399,709	522,737
	<u>2,444,453</u>	<u>1,393,364</u>

**7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Martin Greig BA CA (Senior Statutory Auditor)  
for and on behalf of Thomas Barrie & Co LLP



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.