

Registration number: 00175893

HarbisonWalker International Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Pennington Williams
Chartered Accountants and Statutory Auditors
Stanhope House
Mark Rake
Bromborough
Wirral
Merseyside
CH62 2DN

HarbisonWalker International Limited

Company Information

Director	Ms Carol Renee Jackson
Company secretary	Mr Anthony William Maher
Registered office	Pyramid Works Dock Road South Bromborough Wirral Merseyside CH62 4SP
Auditors	Pennington Williams Chartered Accountants and Statutory Auditors Stanhope House Mark Rake Bromborough Wirral Merseyside CH62 2DN

HarbisonWalker International Limited

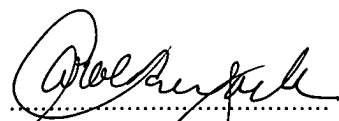
(Registration number: 00175893)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	277,917	265,210
Current assets			
Stocks	5	2,003,837	1,315,528
Debtors	6	1,784,519	2,614,281
Cash at bank and in hand		<u>1,051,853</u>	<u>653,524</u>
		4,840,209	4,583,333
Creditors: Amounts falling due within one year	7	<u>(2,187,924)</u>	<u>(1,867,492)</u>
Net current assets		<u>2,652,285</u>	<u>2,715,841</u>
Total assets less current liabilities		2,930,202	2,981,051
Provisions for liabilities		<u>(33,245)</u>	<u>(26,771)</u>
Net assets excluding pension asset/(liability)		2,896,957	2,954,280
Net pension liability 1		<u>(874,000)</u>	<u>(1,091,000)</u>
Net assets		<u><u>2,022,957</u></u>	<u><u>1,863,280</u></u>
Capital and reserves			
Called up share capital	9	408,000	408,000
Profit and loss account		<u>1,614,957</u>	<u>1,455,280</u>
Total equity		<u><u>2,022,957</u></u>	<u><u>1,863,280</u></u>

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 Profit and Loss Account has been taken.

Approved and authorised by the director on 04/09/2019


Ms Carol Renee Jackson
Director

The notes on pages 3 to 10 form an integral part of these financial statements.

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

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:

Pyramid Works
Dock Road South
Bromborough
Wirral
Merseyside
CH62 4SP

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.

The presentation currency is sterling (£) and level of rounding is to the pound.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 10 September 2019 was David Hunter FCA, who signed for and on behalf of Pennington Williams.

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.

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

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.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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
Long leasehold	2% costs
Plant and machinery	at varying rates on costs

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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.

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

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.

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.

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.

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 the director) during the year, was 38 (2017 - 36).

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	395,139	1,577,539	1,972,678
Additions	-	58,446	58,446
Disposals	-	(3,009)	(3,009)
At 31 December 2018	<u>395,139</u>	<u>1,632,976</u>	<u>2,028,115</u>
Depreciation			
At 1 January 2018	283,928	1,423,541	1,707,469
Charge for the year	<u>16,540</u>	<u>26,189</u>	<u>42,729</u>
At 31 December 2018	<u>300,468</u>	<u>1,449,730</u>	<u>1,750,198</u>
Carrying amount			
At 31 December 2018	<u>94,671</u>	<u>183,246</u>	<u>277,917</u>
At 31 December 2017	<u>111,211</u>	<u>153,999</u>	<u>265,210</u>

Included within the net book value of land and buildings above is £94,671 (2017 - £111,211) in respect of long leasehold land and buildings.

5 Stocks

	2018 £	2017 £
Raw materials and consumables	1,565,666	925,632
Work in progress	175,104	164,267
Finished goods and goods for resale	<u>263,067</u>	<u>225,629</u>
	<u>2,003,837</u>	<u>1,315,528</u>

6 Debtors

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

	2018 £	2017 £
Trade debtors	1,590,217	2,446,985
Prepayments	33,190	86,883
Other debtors	161,112	80,413
	<u>1,784,519</u>	<u>2,614,281</u>

7 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	1,072,373	621,039
Amounts owed to group undertakings and undertakings in which the company has a participating interest	766,147	985,169
Taxation and social security	30,837	34,856
Accruals and deferred income	307,103	215,420
Other creditors	11,464	11,008
	<u>2,187,924</u>	<u>1,867,492</u>

8 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £65,421 (2017 - £60,484).

Defined benefit pension schemes

HarbisonWalker International Limited Pension and Assurance Plan

The company operates a defined benefit pension scheme. This is a separate trustee administered fund holding pension scheme assets to meet long term pension liabilities. The company has agreed with the trustees that it will aim to eliminate the deficit over a period of 12 years and 7 months from 6 April 2018 by the payment of monthly contributions of £9,700 in respect of the deficit.

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

The date of the most recent comprehensive actuarial valuation was 05 April 2017. A full actuarial valuation was carried out at 05 April 2017 and updated 31 December 2018 by a qualified actuary, independent of the scheme's sponsoring employer.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £24,000 (2017 - £30,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2017 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2018 £	2017 £
Fair value of scheme assets	2,604,000	2,706,000
Present value of defined benefit obligation	<u>(3,478,000)</u>	<u>(3,797,000)</u>
Defined benefit pension scheme deficit	<u>(874,000)</u>	<u>(1,091,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2018 £
Present value at start of year	3,797,000
Interest cost	85,000
Actuarial gains and losses	(317,000)
Benefits paid	<u>(87,000)</u>
Present value at end of year	<u>3,478,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2018 £
Fair value at start of year	2,706,000
Interest income	61,000
Actuarial gains and losses	(182,000)
Employer contributions	106,000
Benefits paid	<u>(87,000)</u>
Fair value at end of year	<u>2,604,000</u>

Analysis of assets

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

The major categories of scheme assets are as follows:

	2018 £	2017 £
Cash and cash equivalents	35,000	37,000
Equity instruments	1,265,000	1,357,000
Bonds	422,000	408,000
Property	290,000	277,000
Diversified Growth Assets	225,000	240,000
Absolute Returns	202,000	216,000
Emerging market debt	165,000	171,000
	<u>2,604,000</u>	<u>2,706,000</u>

Return on scheme assets

	2018 £	2017 £
Return on scheme assets	<u>(102,000)</u>	<u>160,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

2018 %	2017 %
2.80	2.25
3.50	3.40
<u>2.75</u>	<u>2.65</u>

Post retirement mortality assumptions

	2018 Years
Current UK pensioners at retirement age - male	22.00
Current UK pensioners at retirement age - female	24.00
Future UK pensioners at retirement age - male	23.00
Future UK pensioners at retirement age - female	<u>25.00</u>

HarbisonWalker International Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary Shares of £1 each	405,000	405,000	405,000	405,000
Cumulative Preference of £1 each	3,000	3,000	3,000	3,000
	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>	<u>408,000</u>

10 Financial commitments, guarantees and contingencies

Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	44,370	36,227
Later than one year and not later than five years	<u>60,561</u>	<u>73,812</u>
	<u>104,931</u>	<u>110,039</u>

11 Relationship between entity and parents

The parent of the smallest group in which these financial statements are consolidated is HarbisonWalker International Holdings Inc, incorporated in USA.

The address of HarbisonWalker International Holdings Inc is:

The company's registered office is 1305 Cherrington Parkway Suite 100, Moon Township, PA 15108, USA.