

Company Registration No. 00185217 (England and Wales)

HUTCHINGS & HARDING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020
PAGES FOR FILING WITH REGISTRAR

HUTCHINGS & HARDING LIMITED

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HUTCHINGS & HARDING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		40,458		144,226
Investments	4		500		500
			<u>40,958</u>		<u>144,726</u>
Current assets					
Stocks		462,201		879,364	
Debtors	5	282,734		366,671	
Cash at bank and in hand		111,776		36,279	
		<u>856,711</u>		<u>1,282,314</u>	
Creditors: amounts falling due within one year	6	(752,971)		(858,974)	
Net current assets			<u>103,740</u>		<u>423,340</u>
Total assets less current liabilities			<u>144,698</u>		<u>568,066</u>
Creditors: amounts falling due after more than one year	7		(50,000)		(6,348)
Net assets			<u><u>94,698</u></u>		<u><u>561,718</u></u>
Capital and reserves					
Called up share capital	8		7,631		7,631
Other reserves			32,062		32,062
Profit and loss reserves			55,005		522,025
Total equity			<u><u>94,698</u></u>		<u><u>561,718</u></u>

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

For the financial year ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

HUTCHINGS & HARDING LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2020

The financial statements were approved by the board of directors and authorised for issue on 14 January 2021 and are signed on its behalf by:

J B Ettling
Director

Company Registration No. 00185217

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Hutchings & Harding Limited is a private company limited by shares incorporated in England and Wales. The registered office is 163 High Street, Sawston, Cambridge, CB22 3HN.

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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The company is currently making loss. The directors, having made appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the continued support of the shareholders. For this reason the company believe that it is appropriate to continue to adopt the going concern basis in preparing the company's accounts.

Covid-19

During the period from the date of the Statement of Financial Position to the date that the Financial Statements were approved, the coronavirus (Covid-19) outbreak has caused extensive disruptions to businesses and economic activities globally, the possible extent of which cannot yet be assessed. It is too early to gauge the full economic consequences, but the possibility of global recession has been widely predicted. In these circumstances it is unlikely that any company will remain unaffected.

However, at the date of approving the Financial Statements, the directors have reasonable expectations that the company can continue to operate on a going concern basis for the foreseeable future. With view of the prevailing economic conditions, the directors are satisfied that there is no material uncertainty leading to a significant doubt in this regard. As such it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on dispatch of the goods or available for collection by the customer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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:

Plant and machinery	20% straight line per annum
Fittings, fixtures and equipment	33.33% straight line per annum
Motor vehicles	25% straight line per annum

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.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

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.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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.

1.10 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.

1.11 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

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 statement of financial position 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 leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2019 - 25).

3 Tangible fixed assets

	Plant and machinery	Fittings, fixtures and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2019	1,003,785	82,394	57,289	1,143,468
Additions	11,543	4,214	-	15,757
Disposals	(693,231)	(16,046)	-	(709,277)
At 30 June 2020	322,097	70,562	57,289	449,948
Depreciation and impairment				
At 1 July 2019	898,110	76,692	24,440	999,242
Depreciation charged in the year	34,266	5,375	11,492	51,133
Eliminated in respect of disposals	(624,882)	(16,003)	-	(640,885)
At 30 June 2020	307,494	66,064	35,932	409,490
Carrying amount				
At 30 June 2020	14,603	4,498	21,357	40,458
At 30 June 2019	105,675	5,702	32,849	144,226

4 Fixed asset investments

	2020 £	2019 £
Investments	500	500

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	247,767	339,977
Amounts owed by group undertakings	30,160	12,038
Other debtors	4,807	14,656
	<u>282,734</u>	<u>366,671</u>

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	-	176,948
Trade creditors	23,843	114,298
Amounts owed to group undertakings	615,459	453,315
Taxation and social security	36,207	20,330
Other creditors	77,462	94,083
	<u>752,971</u>	<u>858,974</u>

7 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Bank loans and overdrafts	50,000	-
Other creditors	-	6,348
	<u>50,000</u>	<u>6,348</u>

Other creditors within one year included a hire purchase contract liability of £6,348 (2019: £6,348). The liability is secured over the assets in this contract and is payable within 1 year.

Bank loan of £50,000 (2019: Nil) is the government bounce back loan received during Covid-19.

Creditors which fall due after five years are as follows:	2020	2019
	£	£
Payable by instalments	(10,000)	-
	<u>(10,000)</u>	<u>-</u>

HUTCHINGS & HARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

8 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
7,631 Ordinary shares of £1 each	7,631	7,631
	<u> </u>	<u> </u>

9 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of a guarantee and debenture given to its financiers for borrowings of the group companies: Hutchings & Harding Group Limited and Hutchings & Harding Europe Limited. The amount owed at the year end was £770,232 (2019: £Nil).

10 Operating lease commitments

Lessee

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

2020	2019
£	£
-	50,000
<u> </u>	<u> </u>

11 Parent company

The immediate parent and ultimate parent company is Hutchings and Harding Group Limited and the registered address is 163 High Street, Sawston, Cambridge, CB22 3HN.

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.