

# Hedley Hydraulics Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 January 2017

Walker & Sutcliffe  
Chartered Accountants  
12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

# **Hedley Hydraulics Limited**

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# **Hedley Hydraulics Limited**

## **Company Information**

**Directors** Mr J D Massey  
Mr J M Booker  
Mr SM Davies

**Company secretary** Mr J D Massey

**Registered office** 12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

**Accountants** Walker & Sutcliffe  
Chartered Accountants  
12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited  
Statutory Accounts of  
Hedley Hydraulics Limited  
for the Year Ended 31 January 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Hedley Hydraulics Limited for the year ended 31 January 2017 as set out on pages 3 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icacw.com/cn/mcmbers/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Hedley Hydraulics Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Hedley Hydraulics Limited and state those matters that we have agreed to state to the Board of Directors of Hedley Hydraulics Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hedley Hydraulics Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Hedley Hydraulics Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Hedley Hydraulics Limited. You consider that Hedley Hydraulics Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Hedley Hydraulics Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....  
Walker & Sutcliffe  
Chartered Accountants  
12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

12 October 2017

## **Hedley Hydraulics Limited**

### **Statement of Comprehensive Income for the Year Ended 31 January 2017**

	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Profit for the year		<u>107,711</u>	<u>152,250</u>
Total comprehensive income for the year		<u><u>107,711</u></u>	<u><u>152,250</u></u>

The notes on pages 7 to 13 form an integral part of these financial statements.

**Hedley Hydraulics Limited**  
**(Registration number: 01244285)**  
**Balance Sheet as at 31 January 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	136,998	346,790
Other financial assets	<u>5</u>	<u>1</u>	<u>1</u>
		<u>136,999</u>	<u>346,791</u>
<b>Current assets</b>			
Stocks	<u>6</u>	529,043	425,253
Debtors	<u>7</u>	2,090,813	1,587,587
Cash at bank and in hand		<u>23,673</u>	<u>37,718</u>
		2,643,529	2,050,558
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	<u>(1,875,751)</u>	<u>(1,449,861)</u>
<b>Net current assets</b>		<u>767,778</u>	<u>600,697</u>
<b>Total assets less current liabilities</b>		904,777	947,488
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	(8,130)	(57,975)
<b>Provisions for liabilities</b>		<u>(21,854)</u>	<u>(22,431)</u>
<b>Net assets</b>		<u>874,793</u>	<u>867,082</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		<u>873,793</u>	<u>866,082</u>
<b>Total equity</b>		<u>874,793</u>	<u>867,082</u>

For the financial year ending 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

**Hedley Hydraulics Limited**  
**(Registration number: 01244285)**  
**Balance Sheet as at 31 January 2017**

Approved and authorised by the Board on 12 October 2017 and signed on its behalf by:

.....

Mr J M Booker

Director

.....

Mr SM Davies

Director

The notes on pages 7 to 13 form an integral part of these financial statements.  
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# Hedley Hydraulics Limited

## Statement of Changes in Equity for the Year Ended 31 January 2017

	Share capital £	Profit and loss account £	Total £
At 1 February 2016	1,000	866,082	867,082
Profit for the year	-	107,711	107,711
Total comprehensive income	-	107,711	107,711
Dividends	-	(100,000)	(100,000)
At 31 January 2017	1,000	873,793	874,793

  

	Share capital £	Profit and loss account £	Total £
At 1 February 2015	1,000	838,832	839,832
Profit for the year	-	152,250	152,250
Total comprehensive income	-	152,250	152,250
Dividends	-	(125,000)	(125,000)
At 31 January 2016	1,000	866,082	867,082

The notes on pages 7 to 13 form an integral part of these financial statements.



# **Hedley Hydraulics Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2017**

### **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:

12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

The principal place of business is:

Lion House  
Criggstone Industrial Estate  
Wakefield  
West Yorkshire  
WF4 3HT  
England

These financial statements were authorised for issue by the Board on 12 October 2017.

### **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 presentational currency is £ sterling.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **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**  
Freehold Property

**Depreciation method and rate**  
2% on cost

# **Hedley Hydraulics Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2017**

Improvements to property	10% on cost
Plant and machinery	15% on cost and 10% on cost
Fixtures and fittings	25% on cost and 20% on cost
Motor vehicles	25% on reducing balance

### **Investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

### **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.

### **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.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

# **Hedley Hydraulics Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2017**

### **Leases**

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **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.

### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### **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 directors) during the year, was 33 (2016 - 37).

# Hedley Hydraulics Limited

## Notes to the Financial Statements for the Year Ended 31 January 2017

### 4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
<b>Cost or valuation</b>				
At 1 February 2016	223,616	341,464	158,191	246,731
Additions	-	5,807	18,759	5,970
Disposals	(199,212)	-	(16,311)	(10,000)
At 31 January 2017	24,404	347,271	160,639	242,701
<b>Depreciation</b>				
At 1 February 2016	32,863	305,034	90,176	195,139
Charge for the year	1,640	14,489	18,884	15,304
Eliminated on disposal	(11,288)	-	(14,224)	(10,000)
At 31 January 2017	23,215	319,523	94,836	200,443
<b>Carrying amount</b>				
At 31 January 2017	1,189	27,748	65,803	42,258
At 31 January 2016	190,753	36,430	68,015	51,592
				<b>Total £</b>
<b>Cost or valuation</b>				
At 1 February 2016				970,002
Additions				30,536
Disposals				(225,523)
At 31 January 2017				775,015
<b>Depreciation</b>				
At 1 February 2016				623,212
Charge for the year				50,317
Eliminated on disposal				(35,512)
At 31 January 2017				638,017
<b>Carrying amount</b>				
At 31 January 2017				136,998
At 31 January 2016				346,790



# Hedley Hydraulics Limited

## Notes to the Financial Statements for the Year Ended 31 January 2017

Included within the net book value of land and buildings above is £1,188 (2016 - £190,752) in respect of freehold land and buildings.

### 5 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 February 2016	1	1
At 31 January 2017	1	1
<b>Impairment</b>		
<b>Carrying amount</b>		
At 31 January 2017	1	1

### 6 Stocks

	2017 £	2016 £
Work in progress	114,553	10,347
Other inventories	414,490	414,906
	529,043	425,253

### 7 Debtors

	Note	2017 £	2016 £
Trade debtors		946,954	629,024
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	1,045,121	893,529
Other debtors		98,738	65,034
Total current trade and other debtors		2,090,813	1,587,587

# Hedley Hydraulics Limited

## Notes to the Financial Statements for the Year Ended 31 January 2017

### 8 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Bank loans and overdrafts	<u>9</u>	16,167	44,055
Trade creditors		421,948	350,205
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>11</u>	710,939	610,939
Taxation and social security		127,822	73,620
Other creditors		598,875	371,042
		<u>1,875,751</u>	<u>1,449,861</u>
<b>Due after one year</b>			
Loans and borrowings	<u>9</u>	<u>8,130</u>	<u>57,975</u>

### 9 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	-	35,872
Finance lease liabilities	8,130	22,103
	<u>8,130</u>	<u>57,975</u>

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank borrowings	-	26,300
Finance lease liabilities	16,167	17,755
	<u>16,167</u>	<u>44,055</u>

### Other borrowings

Hire purchase contracts with a carrying amount of £24,297 (2016 - £17,755) is denominated in GBP with a nominal interest rate of 6.77% to 8.41%. The final instalment is due on 31 January 2019.

Hire purchase contracts are secured on the specific assets to which they relate.

The invoice discounting loan is secured by a fixed charge over purchased trade debtor balances which fail to vest, and a floating charge over the assets of the company.



# **Hedley Hydraulics Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2017**

### **10 Dividends**

#### **Interim dividends paid**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interim dividend of £100 (2016 - £125) per each Ordinary share	100,000	125,000

### **11 Related party transactions**

#### **Summary of transactions with parent**

Hedley DMB Limited

(Ultimate parent company)

During the year the company paid management charges of £nil (2016: £nil) to, and advanced loans of £151,592 (2016: £127,665) to Hedley DMB Limited. At the balance sheet date the amount due from Hedley DMB Limited was £1,045,121 (2016: £893,528).

#### **Summary of transactions with other related parties**

Hedley Hydraulics (Holdings) Limited

(Immediate parent company)

During the year the company was advanced loans of £100,000 (2016: £125,000) by Hedley Hydraulics (Holdings) Limited. At the balance sheet date the amount due to Hedley Hydraulics (Holdings) Limited was £710,939 (2016: £610,938).

### **12 Transition to FRS 102**

There are no adjustments to disclose in relation to the transition to FRS102 in the current year.

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.