

Hedley Hydraulics Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2018

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 SM Davies
Mr J M Booker
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

Hedley Hydraulics Limited
(Registration number: 01244285)
Balance Sheet as at 31 January 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	121,571	136,998
Other financial assets	<u>5</u>	<u>1</u>	<u>1</u>
		<u>121,572</u>	<u>136,999</u>
Current assets			
Stocks	<u>6</u>	567,598	529,043
Debtors	<u>7</u>	2,424,955	2,090,813
Cash at bank and in hand		<u>130,484</u>	<u>23,673</u>
		3,123,037	2,643,529
Creditors: Amounts falling due within one year	<u>8</u>	<u>(2,257,165)</u>	<u>(1,875,751)</u>
Net current assets		<u>865,872</u>	<u>767,778</u>
Total assets less current liabilities		987,444	904,777
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(7,212)</u>	<u>(8,130)</u>
Provisions for liabilities		<u>(19,490)</u>	<u>(21,854)</u>
Net assets		<u>960,742</u>	<u>874,793</u>
Capital and reserves			
Called up share capital	<u>9</u>	1,000	1,000
Profit and loss account		<u>959,742</u>	<u>873,793</u>
Total equity		<u>960,742</u>	<u>874,793</u>

For the financial year ending 31 January 2018 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.

The notes on pages 4 to 12 form an integral part of these financial statements.
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Hedley Hydraulics Limited
(Registration number: 01244285)
Balance Sheet as at 31 January 2018

Approved and authorised by the Board on 8 October 2018 and signed on its behalf by:

.....

Mr SM Davies
Director

.....

Mr J M Booker
Director

The notes on pages 4 to 12 form an integral part of these financial statements.

Hedley Hydraulics Limited

Notes to the Financial Statements for the Year Ended 31 January 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:

12 Greenhead Road
Huddersfield
West Yorkshire
HD1 4EN

The principal place of business is:

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

These financial statements were authorised for issue by the Board on 8 October 2018.

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.

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.

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.

Hedley Hydraulics Limited

Notes to the Financial Statements for the Year Ended 31 January 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
Freehold Property	2% on cost
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.

Hedley Hydraulics Limited

Notes to the Financial Statements for the Year Ended 31 January 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.

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. 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.

Hedley Hydraulics Limited

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

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 37 (2017 - 33).

4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £
Cost or valuation				
At 1 February 2017	24,404	347,271	242,701	160,639
Additions	-	10,820	-	18,995
Disposals	-	-	-	(32,747)
At 31 January 2018	24,404	358,091	242,701	146,887
Depreciation				
At 1 February 2017	23,215	319,523	200,443	94,836
Charge for the year	313	12,766	13,171	15,605
Eliminated on disposal	-	-	-	(29,360)
At 31 January 2018	23,528	332,289	213,614	81,081
Carrying amount				
At 31 January 2018	876	25,802	29,087	65,806
At 31 January 2017	1,189	27,748	42,258	65,803

Hedley Hydraulics Limited

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

	Total £
Cost or valuation	
At 1 February 2017	775,015
Additions	29,815
Disposals	<u>(32,747)</u>
At 31 January 2018	<u>772,083</u>
Depreciation	
At 1 February 2017	638,017
Charge for the year	41,855
Eliminated on disposal	<u>(29,360)</u>
At 31 January 2018	<u>650,512</u>
Carrying amount	
At 31 January 2018	<u><u>121,571</u></u>
At 31 January 2017	<u><u>136,998</u></u>

Included within the net book value of land and buildings above is £876 (2017 - £1,188) in respect of freehold land and buildings.

Hedley Hydraulics Limited

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

5 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 February 2017	1	1
At 31 January 2018	1	1
Impairment		
Carrying amount		
At 31 January 2018	1	1

6 Stocks

	2018 £	2017 £
Work in progress	51,310	114,553
Other inventories	516,288	414,490
	567,598	529,043

7 Debtors

	Note	2018 £	2017 £
Trade debtors		835,354	946,954
Amounts owed by group undertakings and undertakings in which the company has a participating interest	12	1,213,333	1,045,121
Prepayments		16,485	36,696
Other debtors		359,783	62,042
		2,424,955	2,090,813

Hedley Hydraulics Limited

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

8 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	10,918	16,167
Trade creditors		524,974	421,948
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>12</u>	895,939	710,939
Taxation and social security		89,016	127,822
Accruals and deferred income		37,841	48,330
Other creditors		698,477	550,545
		<u>2,257,165</u>	<u>1,875,751</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>10</u>	<u>7,212</u>	<u>8,130</u>

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	1,000	1,000	1,000	1,000

10 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Finance lease liabilities	<u>7,212</u>	<u>8,130</u>

Hedley Hydraulics Limited

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

	2018 £	2017 £
Current loans and borrowings		
Finance lease liabilities	10,918	16,167

Other borrowings

Hire purchase contracts is denominated in GBP with a nominal interest rate of 6.77% to 8.41%%, and the final instalment is due on 31 January 2019. The carrying amount at year end is £Nil (2017 - £24,297).

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.

11 Dividends

Interim dividends paid

	2018 £	2017 £
Interim dividend of £185.00 (2017 - £100.00) per each Ordinary	185,000	100,000

12 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	48,840	48,841
Contributions paid to money purchase schemes	51,600	66,600
	100,440	115,441

Hedley Hydraulics Limited

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

Summary of transactions with parent

Hedley DMB Limited
(Ultimate parent company)

During the year the company paid management charges of £nil (2017: £nil) to, and advanced loans of £168,212 (2017: £151,592) to Hedley DMB Limited. At the balance sheet date the amount due from Hedley DMB Limited was £1,213,333 (2017: £1,045,121).

Summary of transactions with other related parties

Hedley Hydraulics (Holdings) Limited
(Immediate parent company)

During the year the company was advanced loans of £185,000 (2017: £100,000) by Hedley Hydraulics (Holdings) Limited. At the balance sheet date the amount due to Hedley Hydraulics (Holdings) Limited was £895,939 (2017: £710,939).

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