

Slack & Parr (Hydraulics) Limited

**Annual report and financial
statements**

Registered number 01350552

31 March 2019



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the annual report and the financial statements	2
Independent auditor's report to the members of Slack & Parr (Hydraulics) Limited	3
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes	8

Directors' report

The directors present the directors' report and the audited financial statements for the year ended 31 March 2019.

Principal activity

The company's principal activity is the manufacture of hydraulic flow dividers.

Business review

The result for the year is shown in the attached profit and loss account.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The directors who held office during the year were as follows:

TB Barrington

RE Hallsworth

Mr RE Hallsworth resigned on 20 August 2019. Mr EP Barrington was appointed as director on 4 September 2019.

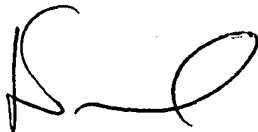
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



EP Barrington

Director

Dated: 9 December 2019

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Slack & Parr (Hydraulics) Limited

Opinion

We have audited the financial statements of Slack & Parr (Hydraulics) Limited ("the company") for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



Independent auditor's report to the members of Slack and Parr (Hydraulics) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Flanagan (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Dated: 10 December 2019

Profit and loss account
for year ended 31 March 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	2	1,176	1,075
Cost of sales		(759)	(632)
Gross profit		417	443
Administrative expenses		(534)	(454)
Operating loss and loss before taxation		(117)	(11)
Tax on loss	6	-	-
Loss for the financial year		(117)	(11)

In both the current and prior year, the company made no material acquisitions and had no discontinued operations.
There were no recognised gains or losses in either the current or prior year other than the result shown above.
Accordingly, no statement of other comprehensive income is presented.

Balance sheet
at 31 March 2019

	Note	2019 £000	2018 £000
Current assets			
Debtors	7	89	293
Cash at bank and in hand		218	221
		<u>307</u>	<u>514</u>
Creditors: amounts falling due within one year	8	(47)	(137)
Net current assets		<u>260</u>	<u>377</u>
Net assets		<u>260</u>	<u>377</u>
Capital and reserves			
Called up share capital	9	270	270
Profit and loss account		(10)	107
Shareholders' funds		<u>260</u>	<u>377</u>

These financial statements were approved by the board of directors on 9 December 2019 and were signed on its behalf by:



EP Barrington
Director

Company registered number: 01350552

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2017	270	118	388
Total comprehensive income for the period			
Loss for the year	-	(11)	(11)
Balance at 31 March 2018	270	107	377

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	270	107	377
Total comprehensive income for the period			
Loss for the year	-	(117)	(117)
Balance at 31 March 2019	270	(10)	260

Notes

(Forming part of the financial statements)

1 Accounting policies

Slack & Parr (Hydraulics) Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England and Wales. The registered number is 01350552 and the registered address is Long Lane, Kegworth, Derbyshire, DE74 2FL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Slack & Parr (Investments) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Slack & Parr (Investments) Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address given in note 12. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Slack & Parr (Investments) Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on a going concern basis. The Directors have carefully considered whether the company can meet its liabilities as they fall due in the twelve months from the date of these accounts and believe the company is a going concern given positive net current assets and forecast cash flows.

1.3. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1 Accounting policies (continued)

1.4. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5. Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

1.6. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

Group Plans

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the Company which is legally responsible for the plan, which is Slack & Parr (Investments) Limited. The Company then recognises a cost equal to its contribution payable for the period.

1.7. Turnover

Turnover represents amounts receivable in respect of goods supplied to customers, excluding value added tax.

Notes (continued)

1 Accounting policies (continued)

1.8. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

2 Turnover

	2019 £000	2018 £000
United Kingdom	377	383
European Union	773	626
Rest of the World	26	66
	<u>1,176</u>	<u>1,075</u>

3 Auditor's remuneration

Auditor's remuneration:

	2019 £000	2018 £000
Audit of these financial statements	<u>5</u>	<u>5</u>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Slack & Parr (Investments) Limited.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Management	2	2

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	104	101
Social security costs	15	14
Contributions to defined contribution plans	4	4
	<u>123</u>	<u>119</u>

5 Directors' remuneration

The Directors are remunerated by other companies in the group and their remuneration is disclosed in those accounts. The estimated amount of remuneration related to services to this company is £74,000 (2018: £74,000).

6 Taxation

Total tax expense recognised in the profit and loss account

	2019 £000	2018 £000
Total current tax	-	-
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Total tax	-	-

Reconciliation of effective tax rate

	2019 £000	2018 £000
Loss before taxation	(117)	(11)
	<u>(117)</u>	<u>(11)</u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	(22)	(2)
Deferred tax asset not recognised	12	-
Group relief surrendered/(claimed)	9	2
Adjust closing deferred tax to average rate of 19%	1	-
	<u>-</u>	<u>-</u>
Total tax expense included in profit or loss	-	-

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

Notes (continued)

7 Debtors

	2019 £000	2018 £000
Trade debtors	84	270
Amounts owed by group undertakings	4	21
Other debtors	1	2
	<hr/> 89	<hr/> 293
	<hr/> <hr/>	<hr/> <hr/>

8 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	45	104
Accruals and deferred income	2	33
	<hr/> 47	<hr/> 137
	<hr/> <hr/>	<hr/> <hr/>

9 Share capital

	2019 £000	2018 £000
<i>Allotted, called up and fully paid</i>		
270,080 ordinary shares of £1 each	270	270
	<hr/> <hr/>	<hr/> <hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Contingent liabilities

Under the terms of the Slack & Parr (Investments) Limited group banking facility with Royal Bank of Scotland, the Company was a party to a bank guarantee with other Group companies. At 31 March 2019 the maximum contingent liability under Group banking arrangements was £nil (2018: £nil).

11 Related parties

The company has taken advantage of the exemption contained in FRS 102 which applies to subsidiaries undertakings and has not disclosed details of transactions with group companies which are included in the consolidated financial statements of Slack & Parr (Investments) Limited.

12 Ultimate parent company

The Company is a subsidiary undertaking of Slack & Parr (Investments) Limited, the ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Slack & Parr (Investments) Limited. The consolidated financial statements of this group are available to the public and may be obtained from its registered office, Slack & Parr (Investments) Limited, Long Lane, Kegworth, Derby DE74 2FL.