

REGISTERED NUMBER: 04302081 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
THE WATER HYDRAULICS CO. LTD**

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for the Year Ended 31 December 2017

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THE WATER HYDRAULICS CO. LTD

COMPANY INFORMATION

for the Year Ended 31 December 2017

DIRECTOR:

T Markham

SECRETARY:

T Markham

REGISTERED OFFICE:

Alexandra House
English Street
Hull
HU3 2DJ

REGISTERED NUMBER:

04302081 (England and Wales)

ACCOUNTANTS:

Sowerby
Chartered Accountants
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

BALANCE SHEET
31 December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	4		1,372		1,675
Tangible assets	5		<u>453,388</u>		<u>470,791</u>
			454,760		472,466
CURRENT ASSETS					
Stocks		959,047		799,951	
Debtors	6	202,954		498,259	
Cash at bank and in hand		<u>667,005</u>		<u>538,671</u>	
		1,829,006		1,836,881	
CREDITORS					
Amounts falling due within one year	7	<u>515,439</u>		<u>516,001</u>	
NET CURRENT ASSETS			<u>1,313,567</u>		<u>1,320,880</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,768,327		1,793,346
CREDITORS					
Amounts falling due after more than one year	8		(231,848)		(241,925)
PROVISIONS FOR LIABILITIES			<u>(9,019)</u>		<u>(14,064)</u>
NET ASSETS			<u>1,527,460</u>		<u>1,537,357</u>
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings			<u>1,527,458</u>		<u>1,537,355</u>
SHAREHOLDERS' FUNDS			<u>1,527,460</u>		<u>1,537,357</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

BALANCE SHEET - continued
31 December 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 25 September 2018 and were signed by:

T Markham - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

The Water Hydraulics Co. Ltd is a private company, limited by shares, registered in England. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in sterling, which is the functional currency of the company and covers the individual entity only.

The principal activity of the company is the manufacture and development of pumps, motors and water hydraulic valves.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Having regard to liquidity risk, current market conditions and other factors affecting the company, the use of the going concern basis of accounting is appropriate as, in the opinion of the directors there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Turnover

Turnover is the amount receivable for the provision of goods and services falling within the company's ordinary activities excluding value added tax and trade discounts.

Turnover from the provision of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risk and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or picked up by, the customer.

Turnover from services are recognised when the service provided to the customer has been completed.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of ten years.

Other intangible assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Other intangible assets - 10% on cost

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 2% on cost excluding land
Plant and machinery etc	- 25% on cost, 15% on cost and 10% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving item. Cost is determined on a first in, first out basis.

Work in progress is valued at cost, which includes outlays incurred on behalf of the customer and appropriate proportion of directly attributable costs and overheads on incomplete assignments. Provision is made for irrecoverable costs where appropriate.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for the current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Pension costs and other post-retirement benefits

The company facilitates a group pension scheme. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 29 (2016 - 29) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2017

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 January 2017 and 31 December 2017	<u>1</u>	<u>6,602</u>	<u>6,603</u>
AMORTISATION			
At 1 January 2017	-	4,928	4,928
Charge for year	-	<u>303</u>	<u>303</u>
At 31 December 2017	-	<u>5,231</u>	<u>5,231</u>
NET BOOK VALUE			
At 31 December 2017	<u>1</u>	<u>1,371</u>	<u>1,372</u>
At 31 December 2016	<u>1</u>	<u>1,674</u>	<u>1,675</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2017	442,457	177,159	619,616
Additions	-	10,207	10,207
Disposals	-	(212)	(212)
At 31 December 2017	<u>442,457</u>	<u>187,154</u>	<u>629,611</u>
DEPRECIATION			
At 1 January 2017	28,314	120,511	148,825
Charge for year	5,849	21,700	27,549
Eliminated on disposal	-	(151)	(151)
At 31 December 2017	<u>34,163</u>	<u>142,060</u>	<u>176,223</u>
NET BOOK VALUE			
At 31 December 2017	<u>408,294</u>	<u>45,094</u>	<u>453,388</u>
At 31 December 2016	<u>414,143</u>	<u>56,648</u>	<u>470,791</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2017

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	128,753	381,865
Amounts owed by related parties	58,999	79,521
Other debtors	15,202	36,873
	<u>202,954</u>	<u>498,259</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	8,682	8,461
Trade creditors	272,489	234,320
Amounts owed to related parties	125,316	166,339
Taxation and social security	59,906	67,411
Other creditors	49,046	39,470
	<u>515,439</u>	<u>516,001</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans	<u>231,848</u>	<u>241,925</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>193,493</u>	<u>204,612</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	2,161	616
Between one and five years	<u>13,670</u>	<u>24,755</u>
	<u>15,831</u>	<u>25,371</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2017

10. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	<u>240,530</u>	<u>250,386</u>

The bank balances are secured by a legal charge dated 25th January 2011 and a mortgage debenture dated 19th January 2011 incorporating a fixed and floating charge over all current and future assets of the company.

11. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Balances due to T Markham as at 31st December 2017 included in other creditors was £60 (2016: £60).

The above balance carry no rights to interest and is repayable on demand.

During the year total dividends of £13,205 (2016 £28,919) were paid to the directors.

12. RELATED PARTY DISCLOSURES

Armak GmbH

Included in creditors due within one year are loans from Armak GmbH, a company which T Markham is a director and shareholder.

The amount owing to the company at 31st December 2017 was £125,316 (2016 £166,339). Purchases of materials of £450, sales of £50,668 and a loan repayment of £42,529 were made during the year.

The loan carries no rights to interest and is repayable on demand.

Armak Limited

Included in debtors due within one year are transaction with Armak Ltd, a company which T Markham is a director and shareholder.

The amount due from Armak Ltd at 31st December 2017 was £58,999 (2016 £79,521). Purchases of materials £3,681, sales of £207,411 and management charges of £88,662 were made during the year.

All the above transactions were undertaken at arm's length on normal commercial terms.

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.