

Registered number: 05168577

Industrial Pipeline Solutions Limited

Directors' report and financial statements

For the period ended 30 June 2018



DAINS
ACCOUNTANTS

Industrial Pipeline Solutions Limited

Company Information

Directors	A Williams (resigned 30 November 2017) S J Collett (resigned 9 April 2018) R A Righton (resigned 21 April 2017) A D L Donald (appointed 21 April 2017, resigned 16 August 2017) R G Tompsett (appointed 31 March 2017, resigned 25 August 2017) S D Duthie (appointed 26 September 2017) S A Lamb (appointed 25 August 2017) P C Nash (appointed 1 March 2018)
Registered number	05168577
Registered office	Garner Street Business Park Garner Street Etruria Stoke-On-Trent ST4 7BH
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH

Industrial Pipeline Solutions Limited

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Industrial Pipeline Solutions Limited

Directors' Report For the period ended 30 June 2018

The directors present their report and the financial statements for the period ended 30 June 2018.

Principal activity

The principal activity of the Company is the supply of Pressure Pipes and Fittings, in a variety of materials, and associated products and services.

Directors

The directors who served during the period were:

A Williams (resigned 30 November 2017)
S J Collett (resigned 9 April 2018)
R A Righton (resigned 21 April 2017)
A D L Donald (appointed 21 April 2017, resigned 16 August 2017)
R G Tompsett (appointed 31 March 2017, resigned 25 August 2017)
S D Duthie (appointed 26 September 2017)
S A Lamb (appointed 25 August 2017)
P C Nash (appointed 1 March 2018)

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Industrial Pipeline Solutions Limited

Directors' Report (continued)
For the period ended 30 June 2018

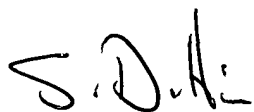
Auditor

The auditor, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 November 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'S.D.D.' followed by a stylized flourish.

S D Duthie
Director

Industrial Pipeline Solutions Limited

Independent auditor's report to the shareholders of Industrial Pipeline Solutions Limited

Opinion

We have audited the financial statements of Industrial Pipeline Solutions Limited (the 'Company') for the period ended 30 June 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

in our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were appointed auditors of the Company on 11 May 2018 and thus did not observe the counting of the physical inventories at the beginning of the period. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 31 December 2016. Since opening inventories enter into the determination of the financial performance we were unable to determine whether adjustments might have been necessary in respect of the profit for the period reported in the statement of income and retained earnings.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other matter

The prior period financial statements were not audited. However, with the exception of the verification of inventory quantities held at 31 December 2016, specific audit procedures carried out as part of the current year audit have obtained sufficient audit evidence regarding opening balances contained within these financial statements.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

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 an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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 Hargate FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

12 November 2018

Industrial Pipeline Solutions Limited

Statement of Income and Retained Earnings For the period ended 30 June 2018

	Note	18 months ended 30 June 2018 £	As restated Year ended 31 December 2016 £
Turnover		745,411	950,630
Cost of sales		(748,612)	(1,001,455)
Gross loss		(3,201)	(50,825)
Administrative expenses		(107,060)	(244,579)
Operating loss		(110,261)	(295,404)
Interest payable and expenses		(7,944)	(3,819)
Loss before tax		(118,205)	(299,223)
Tax on loss		(100)	280
Loss after tax		(118,305)	(298,943)
Retained earnings			
- as previously stated		239,146	171,279
- prior year adjustments	13	(366,810)	-
At the beginning of the period as restated		(127,664)	171,279
Loss for the period		(118,305)	(298,943)
Retained earnings at the end of the period		(245,969)	(127,664)

The notes on pages 8 to 15 form part of these financial statements.

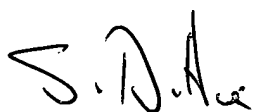
Industrial Pipeline Solutions Limited
Registered number:05168577

Balance Sheet
As at 30 June 2018

			30 June 2018 £	As restated 31 December 2016 £
Fixed assets	Note			
Tangible assets	4		-	638
			<u>-</u>	<u>638</u>
Current assets				
Stocks	5	185,166	195,432	
Debtors: amounts falling due within one year	6	142,066	212,842	
Cash at bank and in hand	7	1,431	2,959	
		<u>328,663</u>	<u>411,233</u>	
Creditors: amounts falling due within one year	8	(574,038)	(538,940)	
Net current liabilities			<u>(245,375)</u>	<u>(127,707)</u>
Total assets less current liabilities			<u>(245,375)</u>	<u>(127,069)</u>
Provisions for liabilities				
Deferred tax	10	(594)	(594)	
			<u>(594)</u>	<u>(594)</u>
Net liabilities			<u>(245,969)</u>	<u>(127,663)</u>
Capital and reserves				
Called up share capital	11	1	1	
Profit and loss account	12	(245,970)	(127,664)	
		<u>(245,969)</u>	<u>(127,663)</u>	

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 November 2018.



S D Duthie
Director

The notes on pages 8 to 15 form part of these financial statements.

Industrial Pipeline Solutions Limited

Notes to the Financial Statements For the period ended 30 June 2018

1. General information

Industrial Pipeline Solutions Limited is a private Company, limited by shares and registered in England and Wales. The address of its registered office is Garner Street Business Park, Garner Street, Etruria, Stoke-On-Trent, ST4 7BH. The principal activity of the Company is the supply of Pressure Pipes and Fittings, in a variety of materials, and associated products and services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The prior year financial statements were restated for material adjustments in accordance with FRS 102. For more information see note 13.

The following principal accounting policies have been applied:

2.2 Going concern

Following the acquisition by Ham Baker Group Limited on 15 February 2017 the Company is a member of the group comprising Ham Baker Limited, Industrial Valves Limited, Industrial Penstocks Limited, IVL Flow Control Limited, Industrial Pipeline Solutions Limited and FJ Estates Limited. The Company has recorded a loss for the period of £118,305 and has net current liabilities of £245,375 at the balance sheet date. The Company is party to cross guarantees in respect of group borrowings and certain entities within the group are dependent upon the support of other group undertakings in order to continue to operate on a going concern basis.

The directors have prepared consolidated cash flow forecasts and projections to 30 September 2020 which demonstrate that the group can continue to trade within its finance facilities for a period of at least 12 months from the date of approval of the financial statements and therefore the directors have concluded that it is reasonable to continue to adopt the going concern basis in preparing the Company's financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following bases:

Plant and machinery	-	25% Reducing balance
Motor vehicles	-	25% Reducing balance
Computer equipment	-	25% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to and from group undertakings.

2.9 Creditors

Short term creditors are measured at the transaction price.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, receiving remuneration during the period was 3 (2016 -2).

Industrial Pipeline Solutions Limited

Notes to the Financial Statements For the period ended 30 June 2018

4. Tangible fixed assets

	Plant, machinery, vehicles and computer equipment £
Cost	
At 1 January 2017 (as restated)	40,485
Disposals	(12,832)
At 30 June 2018	<u>27,653</u>
Depreciation	
At 1 January 2017 (as restated)	39,847
Charge for the period on owned assets	169
Disposals	(12,363)
At 30 June 2018	<u>27,653</u>
Net book value	
At 30 June 2018	<u><u>-</u></u>
At 31 December 2016	<u><u>638</u></u>

Industrial Pipeline Solutions Limited

Notes to the Financial Statements For the period ended 30 June 2018

5. Stocks

	30 June 2018 £	As restated 31 December 2016 £
Finished goods and goods for resale	185,166	195,432

6. Debtors

	30 June 2018 £	As restated 31 December 2016 £
Trade debtors	110,526	185,403
Amounts owed by group undertakings	31,310	-
Other debtors	-	27,439
Prepayments and accrued income	230	-
	142,066	212,842

7. Cash and cash equivalents

	30 June 2018 £	31 December 2016 £
Cash at bank and in hand	1,431	2,959

Industrial Pipeline Solutions Limited

Notes to the Financial Statements For the period ended 30 June 2018

8. Creditors: Amounts falling due within one year

	30 June 2018 £	As restated 31 December 2016 £
Trade creditors	78,758	240,999
Amounts owed to group undertakings	402,797	222,557
Other taxation and social security	11,764	-
Other creditors	71,512	69,994
Accruals and deferred income	9,207	5,390
	<u>574,038</u>	<u>538,940</u>

Included within other creditors is an amount of £71,512 (2016 - £68,139) which is secured by a fixed and floating charge over the present and future assets of the companies in the group headed by Ham Baker Group Limited.

9. Financial instruments

	30 June 2018 £	31 December 2016 £
Financial assets		
Financial assets measured at undiscounted amounts receivable	<u>143,267</u>	<u>215,801</u>
Financial liabilities		
Financial liabilities measured at undiscounted amounts payable	<u>(562,274)</u>	<u>(538,940)</u>

Financial assets measured at undiscounted amounts receivable comprise trade debtors, amounts owed by group undertakings, other debtors and cash at bank and in hand.

Financial liabilities measured at undiscounted amounts payable comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

Industrial Pipeline Solutions Limited

Notes to the Financial Statements For the period ended 30 June 2018

10. Deferred taxation

	2018 £
At beginning of year	594
Charged to profit or loss	-
At end of year	594

The provision for deferred taxation is made up as follows:

	30 June 2018 £	31 December 2016 £
Accelerated capital allowances	594	594

11. Share capital

	30 June 2018 £	31 December 2016 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

12. Reserves

Profit and loss account

The profit and loss account reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

13. Prior year adjustments

Prior year adjustments with an impact on previously reported profits totalling £366,810 have been processed in order to correct errors identified in the prior year balance sheet, predominantly relating to the impairment of fixed assets, debts not recoverable at that time and additional unrecorded liabilities identified.

14. Related party transactions

The Company has taken advantage of the exemption available under Section 1A of Financial Reporting Standard 102 not to disclose transactions with members of the Group headed by Ham Baker Group Limited, or directors, where those transactions are concluded under normal market conditions.

15. Controlling party

On 15 February 2017, Ham Baker Group Limited purchased the entire issued share capital of the Company. The Company's immediate parent undertaking is Ham Baker Group Limited, a company incorporated in England and Wales. The majority of the share capital of Ham Baker Group Limited is held as nominee by Intrinsic Equity Limited, an investment vehicle in which no one individual has a controlling interest.

Consolidated financial statements are prepared for Ham Baker Group Limited which include the results of the Company. These consolidated financial statements are available from Garner Street Business Park, Garner Street, Etruria, Stoke-On-Trent, England, ST4 7BH.