

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2022

FOR

H & S TOOL HOLDINGS LTD

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H & S TOOL HOLDINGS LTD

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H & S TOOL HOLDINGS LTD

COMPANY INFORMATION for the Year Ended 31st May 2022

DIRECTORS:

Mr T Cunningham
Mr T Lindemuth

REGISTERED OFFICE:

Unit 3 Martel Court
S.Park Business Park
Stockport
SK1 2AF

REGISTERED NUMBER:

09760620 (England and Wales)

AUDITORS:

Xeinadin Audit Limited
1 City Road East
Manchester
M15 4PN

H & S TOOL HOLDINGS LTD (REGISTERED NUMBER: 09760620)**BALANCE SHEET****31st May 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	4	(67,568)	(87,836)
Tangible assets	5	869,467	1,113,569
Investments	6	211,427	211,427
		<u>1,013,326</u>	<u>1,237,160</u>
CURRENT ASSETS			
Stocks	7	135,711	43,442
Debtors	8	1,021,468	2,641,817
Cash at bank		645,733	485,516
		<u>1,802,912</u>	<u>3,170,775</u>
CREDITORS			
Amounts falling due within one year	9	(840,080)	(2,763,119)
NET CURRENT ASSETS		<u>962,832</u>	<u>407,656</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,976,158</u>	<u>1,644,816</u>
CREDITORS			
Amounts falling due after more than one year	10	(1,038,278)	(922,247)
PROVISIONS FOR LIABILITIES		<u>(59,298)</u>	<u>(14,074)</u>
NET ASSETS		<u>878,582</u>	<u>708,495</u>
CAPITAL AND RESERVES			
Called up share capital	11	625,000	625,000
Share premium		35,000	35,000
Retained earnings		218,582	48,495
SHAREHOLDERS' FUNDS		<u>878,582</u>	<u>708,495</u>

The notes form part of these financial statements

H & S TOOL HOLDINGS LTD (REGISTERED NUMBER: 09760620)

BALANCE SHEET - continued

31st May 2022

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on
Oct 20, 2022..... and were signed on its behalf by:

Todd R Lindemuth

Todd R. Lindemuth (Oct 20, 2022 09:20 PDT)

.....
Mr T Lindemuth - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2022

1. STATUTORY INFORMATION

H & S Tool Holdings Ltd is a private company limited by share capital, incorporated in England and Wales, registration number 09760620. The addresses of its registered office and the principal place of business is Unit 3 Martel Court, S.Park Business Park, Stockport, Cheshire, England, SK1 2AF.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents amounts recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover principally consists of the sale and rental of portable machining tools which are recognised at the point of which the goods are provided.

Goodwill

Negative goodwill represents the difference between amounts paid on the cost of a business combination purchased in 2015 and the acquirers interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition, is being amortised evenly over its estimated useful life of ten years.

Goodwill is stated at initial cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on tangible fixed assets is charged to the profit and loss so as to write off their value, over their estimated useful lives, using the following methods:

Leasehold property improvements	Over the term of the lease
Non-rental plant and machinery	25% straight line
Rental plant and machinery	11% to 50% straight line
Fixtures and fittings	25% straight line
Office equipment	33% straight line

Tangible fixed assets are depreciated from the date they are utilised in generating income.

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st May 2022

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less provision for impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors, borrowings, and trade and other creditors. The company has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments.

Taxation

Taxation 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 in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st May 2022

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets that are held by the Company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the company are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability, finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Pension costs and other post-retirement benefits

The obligations for contributions to defined contribution scheme are recognised as an expense as incurred. The assets of the scheme are held separately from those of the Company in an independent administered fund.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the trade debtors and other debtors are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 7 (2021 - 6).

H & S TOOL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31st May 2022

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st June 2021 and 31st May 2022	(213,119)
AMORTISATION	
At 1st June 2021	(125,283)
Charge for year	(20,268)
At 31st May 2022	(145,551)
NET BOOK VALUE	
At 31st May 2022	(67,568)
At 31st May 2021	(87,836)

5. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st June 2021	43,480	2,727,843	-
Additions	-	130,597	1,826
Disposals	-	(87,832)	-
Reclassification/transfer	-	(54,523)	34,753
At 31st May 2022	43,480	2,716,085	36,579
DEPRECIATION			
At 1st June 2021	43,480	1,614,274	-
Charge for year	-	326,762	4,370
Eliminated on disposal	-	(36,850)	-
Reclassification/transfer	-	(38,377)	22,843
At 31st May 2022	43,480	1,865,809	27,213
NET BOOK VALUE			
At 31st May 2022	-	850,276	9,366
At 31st May 2021	-	1,113,569	-

H & S TOOL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31st May 2022

5. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipmt £	Totals £
COST			
At 1st June 2021	19,853	-	2,791,176
Additions	-	9,445	141,868
Disposals	-	-	(87,832)
Reclassification/transfer	-	19,770	-
At 31st May 2022	19,853	29,215	2,845,212
DEPRECIATION			
At 1st June 2021	19,853	-	1,677,607
Charge for year	-	3,856	334,988
Eliminated on disposal	-	-	(36,850)
Reclassification/transfer	-	15,534	-
At 31st May 2022	19,853	19,390	1,975,745
NET BOOK VALUE			
At 31st May 2022	-	9,825	869,467
At 31st May 2021	-	-	1,113,569

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st June 2021 and 31st May 2022	211,427
NET BOOK VALUE	
At 31st May 2022	211,427
At 31st May 2021	211,427

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal Activity
Climax Asia Pacific PTE Ltd	Singapore	Ordinary	100%	Sale and rental of portable machine tools
Climax Portable Machine Tools Trading Middle East, LLC	U.A.E	Ordinary	100%	Sale and rental of portable machine tools

H & S TOOL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31st May 2022

7. STOCKS

	2022	2021
	£	£
Stocks	<u>135,711</u>	<u>43,442</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	472,763	567,024
Amounts owed by group undertakings	515,591	264,836
Other debtors	9,173	31,697
Prepayments and accrued income	23,941	1,778,260
	<u>1,021,468</u>	<u>2,641,817</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	53,314	65,565
Amounts owed to group undertakings	28,785	681,102
Social security and other taxes	9,131	7,449
VAT	157,142	127,850
Other creditors	5,199	28,017
Deferred income	529,283	1,777,427
Accrued expenses	57,226	75,709
	<u>840,080</u>	<u>2,763,119</u>

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

	2022	2021
	£	£
Promissory notes	<u>1,038,278</u>	<u>922,247</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
625,000	Ordinary	£1.00	<u>625,000</u>	<u>625,000</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Julian Beressi (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st May 2022

13. OTHER FINANCIAL COMMITMENTS

At the year end the company had operating lease commitments of £168,333 (2021: £204,165). Of which £54,095 (2021: 49,331) are payable within 12 months of the year end and £114,238 (2021: 154,834) are payable in more than 12 months of the year end.

14. RELATED PARTY DISCLOSURES

The ultimate controlling party are the directors of the ultimate parent company by virtue of their controlling interest in the ultimate parent, CPMT Holdings Corp.

The parent company of the largest and smallest group that includes the company and for which group financial statements are prepared is CPMT Holdings Corp, a company incorporated in the USA. The consolidated accounts are available to the public and may be obtained from :- CPMT Intermediate Holdings Corp, 100 Spear Street, San Francisco, CA 94105, USA.

During the year the company made purchases amounting to £2,541,752 (2021: £1,745,865) from Climax Portable Machine Tools Inc., a Company registered in the USA which is a fellow subsidiary of its parent Company. As at the year end, the Company was owed amounts from Climax Portable Machine Tools Inc. amounting to £490,583 (2021: £64,981 creditor). In addition, the Company owed £245,004 (2021: £217,625) to Climax Portable Machine Tools Inc. in respect of a long term promissory note. During the year the Company was charged interest at 6.375% on this promissory note which amounted to £11,650 (2021: £14,655).

During the year the company made purchases amounting to £73,479 (2021: £756,046) and made sales amounting to £5,722 (2021: £40,524) from/to Climax GmbH, a Company registered in Germany which is a fellow subsidiary of its parent Company. As at the year end, the Company owed amounts to Climax GmbH amounting to £28,785 (2021: £578,126). The Company was also owed £5,722 (2021: £40,524) from Climax GmbH. Climax GmbH is an acting guarantor in relation to a property operating lease for the registered office address of the Company.

As at the balance sheet date, the Company owed an amount to its parent company, CPMT Intermediate Holdings Corp., a company registered in the USA, amounting to £793,273 (2021: £704,622) in respect of a long term promissory note. During the year the Company was charged interest at 6.375% on this promissory note which amounted to £50,951 (2021: £47,443).

During the year, the Company received management charges amounting to £Nil (2021: £66,546) from its parent company Climax Portable Machine Tools Inc.