

PE Hines Limited

FINANCIAL STATEMENTS

29 December 2019

PAGES FOR FILING WITH THE REGISTRAR



PE Hines Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 year.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 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.

PE Hines Limited

STATEMENT OF FINANCIAL POSITION at 29 December 2019

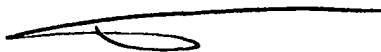
	Note	29 December 2019 £	30 December 2018 £
CURRENT ASSETS			
Stocks	2	150,775	157,051
Debtors	3	131,881	140,638
Cash at bank and in hand		131,575	214,230
		<u>414,231</u>	<u>511,919</u>
CREDITORS: amounts falling due within one year	4	(386,002)	(522,039)
NET CURRENT ASSETS/(LIABILITIES)		<u>28,229</u>	<u>(10,120)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,229</u>	<u>(10,120)</u>
NET ASSETS/(LIABILITIES)		<u>28,229</u>	<u>(10,120)</u>
CAPITAL AND RESERVES			
Called up share capital	5	1	1
Profit and loss account		28,228	(10,121)
TOTAL EQUITY		<u>28,229</u>	<u>(10,120)</u>

The directors of the company have elected not to include a copy of the Income Statement within the financial statements.

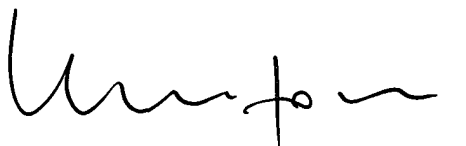
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29 May 2020 and are signed on its behalf by:

Zana May



JMA Fendek
Director



MK Jones
Director

Company Registration No. 11076975

PE Hines Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

PE Hines Limited ("the Company") is a private Company limited by shares, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts are rounded to the nearest whole £1 except where otherwise indicated.

GOING CONCERN

The Group meets its day-to-day working capital requirements through an invoice discounting facility that was agreed on October 2011 and thereafter was on a rolling basis with three months' notice together with its existing cash reserves and banking facilities.

The Company's and Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company and the Group is able to operate within the current level of the invoice discounting facility and bank facilities. The forecasts and projections utilised have accounted for potential reductions in trade and cashflows as a result of the covid-19 pandemic. While the actual impact on trade is difficult to predict we have also stress tested these cashflows along with reviewing discretionary spend to ensure the current financing facilities remain sufficient.

The directors, having assessed the forecasts and information available have determined it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements. It is noted that the group facilities are monitored by the parent of the group, James Kent (Consolidated) Limited, who act as a treasury function to the Company. As result of the potential decrease in trade from the current pandemic, the Company, may need to utilise group funds to manage cashflows. As a result, the directors have obtained support letters from the parent company to confirm this support will be provided.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior years has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

PE Hines Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different years from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Sale of grinding media, minerals and building materials

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of raw materials are recognised when goods are delivered and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer.

PE Hines Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and group debtors

Trade and group debtors which are receivable within one year are still initially measured at the transaction price. Trade and group debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. No provisions were held at the year ends.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors payable within one year are still initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROFIT AND LOSS RESERVE

The cumulative profit and loss net of distributions to owners.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

PE Hines Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT for the period ended 29 December 2019

1 EMPLOYEES AND DIRECTORS' REMUNERATION

The number of directors employed by the Company is stated below and the employees utilised by the company during the period were employed under contract by James Kent (Ceramic Materials) Limited and the cost of these employees were recharged to the Company during the period.

The average number of persons during the period, analysed by category, was as follows:

	2019 Number	2018 Number
Production and admin	3	4
Directors	7	7
	<u>10</u>	<u>11</u>

The directors received no remuneration for services to the Company during the period. The directors received remuneration for services to James Kent Consolidated Limited and James Kent (Ceramic Materials) Limited a group in which PE Hines Limited is a subsidiary undertaking.

The remuneration of the directors is paid by James Kent Consolidated Limited and James Kent (Ceramic Materials) Limited. PE Hines Limited is a member of the Group of companies headed by James Kent Consolidated Limited, however, the proportion attributable to the directors' services to PE Hines Limited is not separately identifiable.

2	STOCK	2019 £	2018 £
	Finished goods and goods for resale	<u>150,775</u>	<u>157,051</u>
3	DEBTORS	2019 £	2018 £
	<i>Amounts due in less than one year:</i>		
	Trade debtors	131,881	140,625
	Amounts owed from group undertakings	-	13
		<u>131,881</u>	<u>140,638</u>

PE Hines Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT for the period ended 29 December 2019

4	CREDITORS: Amounts falling due within one year	2019 £	2018 £
	Amounts due to invoice discounter	19,293	61,513
	Trade creditors	70,640	30,532
	Amounts owed to group undertakings	252,178	390,472
	Other taxation and social security	27,234	25,906
	Accruals and deferred income	39	7,493
	Other creditors	7,623	6,123
	Corporation tax	8,995	-
		<u>386,002</u>	<u>522,039</u>
5	SHARE CAPITAL	2019 £	2018 £
	Allotted, called up and fully paid: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

6 CONTINGENT LIABILITIES

All group companies are members of a VAT group. At 29 December 2019 the VAT exposure of the VAT group excluding that of the Company was £47,626 (2018: £74,725).

The Company has signed a cross guarantee to secure the bank indebtedness with National Westminster Bank Plc of James Kent (Ceramic Materials) Limited, KMCI Limited, James Kent Consolidated Limited, James Kent Group Limited and Martin Colour Company Limited. At the period end the amount of bank indebtedness of James Kent (Ceramic Materials) Limited, KMCI Limited, Martin Colour Company Limited and James Kent Consolidated Limited was £255,993 (2018: £339,862).

National Westminster Bank Plc holds an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the Company.

HSBC Invoice Finance (UK) Limited holds a fixed and floating charge over all the assets of the Company.

HSBC Bank plc have a debenture dated 18 August 2010 over the assets of the Company.

The Company has a signed unlimited multilateral guarantee dated 22 June 2011 given by James Kent (Ceramic Materials) Limited, Martin Colour Company Limited, PE Hines Limited, James Kent Consolidated Limited, James Kent Group Limited and KMCI Limited with HSBC Bank plc.

At the period end the exposure of the Company was £nil (2018: £74,188).

HSBC Bank plc also has a charge over contract monies.

PE Hines Limited

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT for the period ended 29 December 2019

7 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of James Kent Consolidated Limited, a Company incorporated in the United Kingdom. Its registered address is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

James Kent Consolidated Limited is the ultimate parent undertaking and is the largest and smallest Group for which consolidated accounts, including PE Hines Limited, are prepared.

The consolidated financial statements of James Kent Consolidated Limited are available to the public from Companies House, Maindy, Cardiff, CF12 3UZ.

There is no ultimate controlling party.

8 AUDIT REPORT

As the Income Statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with S444 (5B) of the Companies Act 2006:

- The audit report was unqualified;
- The senior statutory auditor was Adam Krupski; and
- The auditor was RSM UK Audit LLP.