

Company Registration No. SC404792 (England and Wales)

**HARDBANDING SOLUTIONS (EUROPE) LIMITED**

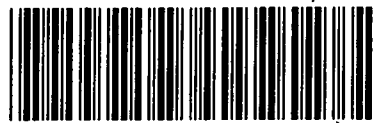
**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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# **HARDBANDING SOLUTIONS (EUROPE) LIMITED**

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# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £
<b>Fixed assets</b>			
Tangible assets	3	6,326	9,391
<b>Current assets</b>			
Stocks		308,675	255,343
Debtors	4	735,938	320,432
Cash at bank and in hand		323,890	470,947
		1,368,503	1,046,722
<b>Creditors: amounts falling due within one year</b>	5	(411,996)	(334,834)
<b>Net current assets</b>		956,507	711,888
<b>Net assets</b>		962,833	721,279
<b>Capital and reserves</b>			
Called up share capital		93	93
Profit and loss reserves		962,740	721,186
<b>Total equity</b>		962,833	721,279

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 28/9/2021 and are signed on its behalf by:

  
Mr D M Sokol  
Director

Company Registration No. SC404792

# **HARDBANDING SOLUTIONS (EUROPE) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2019		93	731,159	731,252
Period ended 31 January 2020:				
Profit and total comprehensive income for the period		-	14,026	14,026
Dividends		-	(23,999)	(23,999)
Balance at 31 January 2020		93	721,186	721,279
Period ended 31 December 2020:				
Profit and total comprehensive income for the period		-	241,554	241,554
Balance at 31 December 2020		93	962,740	962,833

# **HARDBANDING SOLUTIONS (EUROPE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Hardbanding Solutions (Europe) Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O Horizon CA 11, Somerset Place, Glasgow, United Kingdom, G3 7JT.

#### **1.1 Accounting convention**

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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Reporting period**

The company's reporting period has changed and the annual financial statements are presented for a period shorter than one year. This is to bring the year ends coterminous with other group entities. Therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% straight line
Office equipment	33% reducing balance

# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.9 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified 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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.



# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2020 Number
Total	6	6

### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 February 2020	38,255
Additions	383
At 31 December 2020	38,638
<b>Depreciation and impairment</b>	
At 1 February 2020	28,864
Depreciation charged in the period	3,448
At 31 December 2020	32,312
<b>Carrying amount</b>	
At 31 December 2020	6,326
At 31 January 2020	9,391

# HARDBANDING SOLUTIONS (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 4 Debtors

	2020 £	2020 £
Amounts falling due within one year:		
Trade debtors	707,264	312,553
Other debtors	28,674	7,879
	<u>735,938</u>	<u>320,432</u>

### 5 Creditors: amounts falling due within one year

	2020 £	2020 £
Trade creditors	345,343	191,958
Corporation tax	57,403	141,317
Other creditors	9,250	1,559
	<u>411,996</u>	<u>334,834</u>

### 6 Audit report information

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:

Under the Companies Act 2006, the company was exempt from audit for the period ended 31 January 2020. As a consequence, the financial statements of the company for the period ended 31 January 2020, which form the basis for the corresponding figures presented in the current period's financial statements were unaudited. For the period ended 31 December 2020, the directors were no longer able to take advantage of the exemption from audit available under section 477 of the Companies Act 2006.

We were not appointed to act for the company until after 31 January 2020 and thus did not observe the counting of physical stock at the end of that year. We were unable to satisfy ourselves by alternative means concerning the stock quantities at 31 January 2020 by using other audit procedures. Consequently we were unable to determine whether there was any consequential effect on the cost of sales for the period ended 31 December 2020. Our audit opinion on the financial statements for the period ended 31 December 2020 is modified accordingly.

The senior statutory auditor was Claire Clift and the auditor was Azets Audit Services.

### 7 Financial commitments, guarantees and contingent liabilities

As at 31 December 2020 the company has total guarantees, contingencies and commitments of £Nil (31 January 2020: £Nil).

# **HARDBANDING SOLUTIONS (EUROPE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **8 Operating lease commitments**

#### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2020</b>	<b>2020</b>
<b>£</b>	<b>£</b>
<b>2,471</b>	<b>-</b>
<u><u>          </u></u>	<u><u>          </u></u>

### **9 Related party transactions**

There are no related party disclosures required for the current and the prior year.

The company has taken advantage of the 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.

The parent company of the largest group of which the company belongs and for which group accounts are prepared is Garland Industries Inc., a company registered in the U.S. The registered office of Garland Industries Inc. is 3800 East 91st Street, Cleveland, OH 44105, U.S.

### **10 Amended accounts**

The revised accounts replace the original accounts for the financial period to 31 December 2020 and are now the statutory accounts for the period to 31 December 2020.

The revised accounts have been prepared as at the date of the original accounts, and not as at the date of the revision and accordingly do not deal with events between those dates.

The original financial statements were filed in error and were not the final audited set approved by the directors.