

Company Registration Number 00399212

WILLIAM HARE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2020



HORSFIELD & SMITH
Chartered Accountants & Registered Auditors
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

WILLIAM HARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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WILLIAM HARE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2020

The board of directors

Ms SK Hodgkiss CBE DL
C Arnold BSc AICChemE
NJ Day
S Duffield
TB Hodgkiss
HA Camacho
SC Hodgkiss (Appointed 17 April 2020)
IG Smith (Appointed 17 April 2020)
G Phillips (Appointed 29 July 2020)
PM Norris (Appointed 5 October 2020)

Registered office

Brandlesholme House
Brandlesholme Road
Bury
Lancashire
BL8 1JJ

Auditor

Horsfield & Smith
Chartered Accountants
& Registered Auditors
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

WILLIAM HARE LIMITED

THE STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2020

The directors have pleasure in presenting their strategic report of the company for the year ended 31 December 2020.

REVIEW OF THE BUSINESS

The company's principal activities are the engineering, fabrication and erection of structural steelwork.

RESULTS AND PERFORMANCE

The results are set out in the body of these financial statements.

The company's key financial performance indicators for the year ended 31 December 2020 are summarised below:

	2020 £'m	2019 £'m
Turnover	134.4	142.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3.8	5.6
<i>EBITDA margin %</i>	<i>2.8%</i>	<i>3.9%</i>
Profit before tax	1.4	3.6
Profit after tax	1.3	2.4
Cash at bank and in hand	18.3	17.9
Net Assets	38.2	36.9
Average number of employees	673	660

The company has reported EBITDA of £3.8m in the year ended 31 December 2020 and a pre-tax trading profit of £1.4m from a turnover of £134.4m. In the year ended 31 December 2020 the average number of employees was 673 (2019: 660).

The order book position for the business is extremely strong at the balance sheet date and further significant contracts have been awarded in 2021. Whilst the impact of the Covid 19 pandemic is being closely monitored, it is encouraging to note that quality projects continue to come to market and the Company's pipeline of opportunities remains healthy which reflects the Company's standing in the UK and world markets.

In addition to the strong balance sheet and healthy order book, the business has substantial headroom against banking and insurance guarantee facilities. The directors believe this places the business in a strong position to endure any market conditions and to capitalise on future market opportunities.

Where necessary, carefully evaluated investment will continue across all facilities, to replace and improve its resources where necessary to ensure that it maintains competitive advantage. In addition, this investment will support margin growth and enable the business to continue to work in a safe and responsible manner, including social distancing requirements and taking into account other social, sustainability and environmental factors.

WILLIAM HARE LIMITED

THE STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2020

The directors understand the need to foster business relationships with suppliers, customers and others. The reputation of William Hare is built upon its proven project delivery performance and inherent flexibility which ensures the company can respond to clients' changing requirements. The Company has a developed global supply chain which supports successful project delivery and execution worldwide.

The international diversification of the Company and Group, its family ownership, its well established reputation and relationship with its clients and suppliers as its core strengths. The business will continue to use these strengths to benefit from opportunities in its key sectors and geographical markets as the global economy recovers.

The Company values its people highly, appreciating that it is their commitment, skill and dedication that sustains the ongoing success of the business. William Hare recognises that health and safety is at the core of its responsibilities. The company is committed to being an industry leader and seeks to deliver all phases of its projects in a safe manner.

The board again expresses its appreciation for the contributions made by all of its employees who have shown very high levels of skill and strong commitment throughout the year.

FUTURE DEVELOPMENTS

The board of directors and management meet regularly to discuss any issues in respect of its members, customers, suppliers, employees, the regulators, the environment and the community and take any matters in to account during its long-term decision making.

The company foresees that it will maintain, develop and grow the business through selective investment in strategic capital projects and human resources. It continues to focus on operating in a safe and responsible manner.

The directors' long-term business strategy involves the recognition that its operations have an effect on the local, regional and global environments. The directors and management are committed to continuous improvements in environmental performance and the prevention of waste and pollution at all levels of the business.

S172(1) DIRECTORS' DUTIES STATEMENT

The Group consider that they have acted in the way they consider in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole, and in doing so having regard to the factors of S172 of the Companies Act 2006.

RISKS AND UNCERTAINTIES

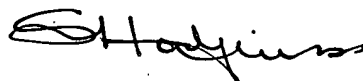
The management of risk is integral to the ongoing success of the company and the directors have put in place rigorous risk assessment and control procedures across all areas of the business in order to identify, evaluate and manage risk. The company is subject to the same general risks and uncertainties as any other business including the changes in general economic conditions. It must also consider the risks relating to the particular industry which include health and safety and employment regulations.

WILLIAM HARE LIMITED

THE STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2020

Signed on behalf of the directors



Ms SK Hodgkiss CBE DL
Director

Approved by the directors on 21st May 2021

WILLIAM HARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2020

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,290,000 (2019: £2,411,000).

The directors have not declared a dividend in the year (2019: £6,205,000).

The company is a wholly owned subsidiary of William Hare Group Limited

DIRECTORS

The directors who served the company during the year were as follows:

DMW Hodgkiss OBE BA (Hons) (Retired 29 March 2020)

Ms SK Hodgkiss CBE DL

C Arnold BSc AICChemE

NJ Day

G Simmons CEng MStructEng (Retired 31 March 2020)

S Duffield

TB Hodgkiss

G Phillips (Appointed 29 July 2020)

RJ Redgate ACA, BSc (Hons) Engineering (Retired 31 December 2020)

HA Camacho

SC Hodgkiss (Appointed 17 April 2020)

IG Smith (Appointed 17 April 2020)

PM Norris (Appointed 5 October 2020)

The interests of the group directors in the parent company are disclosed in the financial statements of that company.

It is with great sadness that the Directors report that David Hodgkiss passed away on 29 March 2020. The board would like to acknowledge their appreciation for all that David achieved for the business over his tenure.

DIRECTORS' INDEMNITIES

William Hare Group have qualifying indemnities in place for the benefit of all its directors which were in force during and after the financial year.

RESEARCH AND DEVELOPMENT

The company continues to invest in research and development to improve its competitiveness.

DISABLED EMPLOYEES

Employee development appropriate to the needs of the business is encouraged, as is the provision to employees of information on the objectives and progress of the company.

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employees who become disabled during employment to continue their careers within the company. Training, career development and promotion of disabled employees is, as far as possible, identical to that of other employees.

WILLIAM HARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2020

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

GENERAL

The company has chosen to include details of future developments and their assessment of risks and uncertainties within the strategic report as they are considered by the directors to be of strategic importance.

The directors strive to maintain a reputation for high standards of business conduct with good governance and recognise the need to act fairly between members, employees, customers, supplier and other stakeholders of the company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards;
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

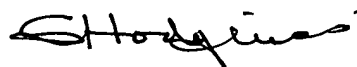
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WILLIAM HARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2020

Signed on behalf of the directors



Ms SK Hodgkiss CBE DL
Director

Approved by the directors on 21st May 2021

WILLIAM HARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM HARE LIMITED

YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of William Hare Limited (the 'company') for the year ended 31 December 2020, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its results for the year 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 opinion

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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

WILLIAM HARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM HARE LIMITED (Continued)

YEAR ENDED 31 DECEMBER 2020

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Directors' Report as set out on pages 5-7, 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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. As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

WILLIAM HARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM HARE LIMITED (Continued)

YEAR ENDED 31 DECEMBER 2020

Summary of our audit approach and key audit matters:

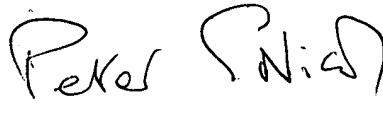
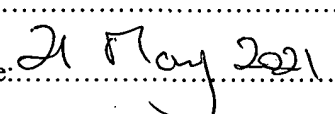
Revenue recognition and valuation of work in progress	Revenue recognition and the valuation of work in progress are closely linked. We reviewed the management assessment of the extent of completion of contracts, comparing this year's results to those of previous years and confirming a consistency of approach. We also considered events after the balance sheet date which did not indicate that there was any material error at the year end.
Recoverability of trade debtors	In the current Covid climate, we considered the recoverability of trade debtors. We traced receipts after the balance sheet date. We obtained satisfactory explanations from the directors for other outstanding amounts and confirmed the explanations to independent correspondence.
Completeness of creditors	We carried out detailed testing to confirm the completeness of the trade creditors by agreement to third party documentation. We reviewed the completeness of accruals by reference to our knowledge of the business in previous years.
Accounting estimates	We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and did not find any areas with which we disagreed.

Materiality

We determined materiality based on a range of values based on profitability, balance sheet value and our assessment of impact on the accounts. We determined materiality on an overall basis to be £1 million. This value was adjusted for specific areas of the audit to ensure that we were in a position to form our audit opinion.

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.


.....
Date: 

PETER NICOL BSc FCA (Senior Statutory Auditor)

For and on behalf of Horsfield & Smith, Statutory Auditor
Tower House
269 Walmersley Road
Bury
Lancashire
BL9 6NX

WILLIAM HARE LIMITED

INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
TURNOVER	2	134,430	142,074
Cost of sales		(113,453)	(114,021)
GROSS PROFIT		20,977	28,053
Administrative expenses		(19,529)	(24,476)
OPERATING PROFIT	3	1,448	3,577
Interest receivable and similar income		17	119
Interest payable and similar charges	6	(79)	(91)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,386	3,605
Tax on profit on ordinary activities	7	(96)	(1,194)
PROFIT FOR THE FINANCIAL YEAR		1,290	2,411
Other comprehensive income		-	559
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,290	2,970

All profit and total comprehensive income for the financial year are attributable to the owners of the business. All of the activities of the company are classed as continuing.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Revaluation reserve £000	Profit & loss account £000	Total Equity £000
As at 1 January 2019	35	3,004	37,129	40,168
Profit for the year	-	-	2,411	2,411
Other comprehensive income	-	559	-	559
Dividend	-	-	(6,205)	(6,205)
As at 31 December 2019	35	3,563	33,335	36,933
Profit for the year	-	-	1,290	1,290
Other comprehensive income	-	-	-	-
As at 31 December 2020	35	3,563	34,625	38,223

The notes on pages 13 to 26 form part of these financial statements.

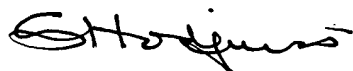
WILLIAM HARE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
FIXED ASSETS			
Tangible assets	8	27,947	28,836
Intangible assets	9	27	68
		27,974	28,904
CURRENT ASSETS			
Cash at bank		18,337	17,850
Stocks and work in progress	10	6,730	15,148
Debtors	11	37,669	28,395
		62,736	61,393
CREDITORS: Amounts falling due within one year	12	50,179	51,211
NET CURRENT ASSETS		12,557	10,182
TOTAL ASSETS LESS CURRENT LIABILITIES		40,531	39,086
CREDITORS: Amounts falling due after more than one year	13	1,727	1,296
		38,804	37,790
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	581	857
NET ASSETS		38,223	36,933
CAPITAL AND RESERVES			
Called-up equity share capital	16	35	35
Revaluation reserve	17	3,563	3,563
Profit and loss account		34,625	33,335
SHAREHOLDER'S FUNDS		38,223	36,933

These financial statements were approved by the directors and authorised for issue on 21st May 2021 and are signed on their behalf by:



Ms SK Hodgkiss CBE DL
Director

Company Registration Number 00399212

The notes on pages 13 to 26 form part of these financial statements.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Company information

William Hare Limited is a limited liability company incorporated in England. The Registered Office is Brandlesholme House, Brandlesholme Road, Bury, Lancashire, BL8 1JJ.

The Company registration number is 00399212.

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain fixed assets.

As noted in the Directors report, the directors consider that the going concern basis of accounting is appropriate. In making this decision the directors have considered the impact of the Covid 19 pandemic on the company.

The financial statements are prepared in sterling which is the functional currency of the company.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the quantification of work in progress, where, unless it is clear that the contract cannot be completed management has assumed that contracts started before the year end will be satisfactorily completed at a future date.

Cash flow statement

The directors have taken advantage of the exemption in FRS 102 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary of William Hare Group Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with members or investees of the William Hare Group Limited group.

Turnover

The turnover shown in the income statement represents amounts recognised during the year, exclusive of value added tax.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Profit recognition on contracts

Contract turnover and profit is recognised as work progresses once the final outcome can be reliably estimated. The turnover and profit recognised in the accounts reflects the stage of completion at the year end, calculated on the proportion of costs incurred at the reporting date to the estimated total cost. Provision is made for losses on all contracts in the year in which they are foreseen.

Fixed assets

All fixed assets are measured at cost on initial recognition. Such cost includes costs directly attributable to making the asset capable of operating as intended. It is the company's policy to revalue its land and buildings in accordance with FRS 102.

Intangible assets

Acquired intellectual property is initially measured at cost and is amortised on a straight-line basis over its estimated useful life.

Development costs

Development costs are capitalised when the directors consider there will be an ongoing benefit to the company. The costs are amortised over five to twenty years, with appropriate impairment reviews.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% straight line
Long Leasehold Property	-	2% straight line
Short Leasehold Property	-	2% straight line
Plant & Machinery	-	15% - 25% reducing balance
Motor Vehicles	-	25% reducing balance
Other Assets	-	15% reducing balance

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Debtors

Amounts due by group undertakings are amounts due from group companies for the value of goods sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price if they are due within one year. Those over one year are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provision for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the 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 end of the reporting period, 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 using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the Statement of Financial Position and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts, net of future finance charges, are included as liabilities in the Statement of Financial Position. The interest elements of the rental obligations are charged in the Income Statement over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the Income Statement on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Income Statement as incurred.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Deferred Tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The directors have taken advantage of the exemption in FRS 102 from disclosing the different categories of financial assets and financial liabilities in the financial statements on the grounds that the company is wholly owned and its parent publishes the required disclosures.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

2. TURNOVER

Turnover represents the recognised value of goods sold and services provided, less credits, stated net of value added tax and is attributable to the activity of the company, the engineering, fabrication and erection of structural steelwork.

The directors consider that it is not in the company's interests to give a detailed analysis of turnover geographically area by area.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of owned fixed assets	1,801	1,232
Depreciation of assets held under hire purchase agreements	509	788
Amortisation	41	41
Loss on disposal of fixed assets	63	7
Hire of plant and machinery	1,896	2,646
Auditor's remuneration		
- auditing the accounts	60	54
- other services relating to taxation	18	13

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2020 No.	2019 No.
Office and management staff	153	164
Technical services staff	112	115
Manufacturing and installation staff	408	381
	673	660

The aggregate payroll costs of the above were:

	2020 £000	2019 £000
Wages and salaries	28,569	31,187
Social security costs	3,531	3,825
Other pension costs	1,051	1,037
	33,151	36,049

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2020 £000	2019 £000
Emoluments receivable	673	1,159
Value of company pension contributions to defined contribution schemes	7	41
	680	1,200

Emoluments of highest paid director:

	2020 £000	2019 £000
Total emoluments (excluding pension contributions)	213	248
Value of company pension contributions to defined contribution scheme	-	-
	213	248

The number of directors who accrued benefits under company schemes was as follows:

	2020 No	2019 No
Defined contribution schemes	1	4

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable on bank borrowing	3	1
Finance charges	76	90
	79	91

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2020	2019
	£000	£000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	372	734
(Over)/Under-provided in previous years	-	-
Total current tax	372	734
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	(17)	440
Other	(259)	20
Total deferred tax (note 15)	(276)	460
Tax on profit on ordinary activities	96	1,194

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2019 – 19%).

	2020	2019
	£000	£000
Profit on ordinary activities before taxation	1,386	3,605
Profit on ordinary activities by rate of tax	263	685
Permanent differences	102	489
Fixed asset and other timing differences	24	-
Capital allowances in excess of depreciation	(17)	(440)
Adjustments in respect of previous periods	-	-
Other short term timing differences	-	-
Total current tax (note 7(a))	372	734

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>				
	Freehold & Long Lease £000	Short Lease £000	Plant & Machinery £000	Other Assets £000	Total £000
COST OR VALUATION					
At 1 Jan 2020	15,634	202	21,612	6,903	44,351
Additions	112	-	768	717	1,597
Revaluation	-	-	-	-	-
Disposals	-	-	(502)	(638)	(1,140)
At 31 Dec 2020	15,746	202	21,878	6,982	44,808
DEPRECIATION					
At 1 Jan 2020	53	202	11,456	3,804	15,515
Charge for the year	291	-	1,477	542	2,310
Revaluation	-	-	-	-	-
On disposals	-	-	(482)	(482)	(964)
At 31 Dec 2020	344	202	12,451	3,864	16,861
NET BOOK VALUE					
At 31 Dec 2020	15,402	-	9,427	3,118	27,947
At 31 Dec 2019	15,581	-	10,156	3,099	28,836

Hire purchase agreements

Included within the net book value of £27,947,000 is £3,467,000 (2019: £5,083,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £509,000 (2019: £788,000).

Freehold and long leasehold land and buildings

The Freehold and long leasehold land and building were independently valued on a fair value basis by Brackenridge Hanson Tate (Chartered Surveyors) in December 2019 and are carried at valuation.

In the Directors' opinion there is no material difference in the value as at December 2019 and December 2020.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS *(continued)*

In respect of freehold and long leasehold property fixed assets stated at valuation, the comparable historical cost and depreciation values are as follows:

	Total 2020 £000	Total 2019 £000
Historical cost		
At 1 January	16,736	11,408
Additions	112	5,328
Disposal	-	-
At 31 December	16,848	16,736
Depreciation		
At 1 January	5,388	5,123
Charge for the year	297	265
Disposal	-	-
At 31 December	5,685	5,388
Net historical cost value		
At 31 December 2020	11,163	11,348
At 31 December 2019	11,348	6,285
Capital commitments		
	2020 £000	2019 £000
Contracted but not provided for in the financial statements	-	481

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

9. INTANGIBLE FIXED ASSETS

	Intellectual Property £000
COST	
At 1 January 2020	858
Additions	-
Disposals	-
At 31 December 2020	858
AMORTISATION	
At 1 January 2020	790
Charge for the year	41
On disposals	-
At 31 December 2020	831
NET BOOK VALUE	
At 31 December 2020	27
At 31 December 2019	68

10. STOCKS AND WORK IN PROGRESS

	2020 £000	2019 £000
Raw materials	597	742
Work in progress	6,133	14,406
	6,730	15,148

11. DEBTORS

	2020 £000	2019 £000
Trade debtors	24,351	22,245
Amounts owed by group undertakings	10,970	4,359
Other debtors	495	756
Prepayments and accrued income	1,853	1,035
	37,669	28,395

Trade debtors include an amount of £3,321,000 due after more than one year (2019: £1,532,000).

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

12. CREDITORS: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	11,489	13,060
Amounts owed to group undertakings	15,568	13,778
Taxation and social security	4,651	4,584
Hire purchase agreements	840	1,085
Other creditors	369	346
Accruals and deferred income	7,017	4,858
Payments received on account	10,245	13,500
	50,179	51,211

13. CREDITORS: Amounts falling due after more than one year

	2020 £000	2019 £000
Hire purchase agreements	1,727	1,296

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

The company uses hire purchase agreements to acquire plant and machinery. Future minimum lease payments under hire purchase agreements are as follows:

	2020 £000	2019 £000
Amounts payable within 1 year	890	1,130
Amounts payable between 2 to 5 years	1,779	1,335
	2,669	2,465
Finance charges allocated to future periods	(102)	(84)
	2,567	2,381

The above amounts are secured on the assets concerned.

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2020 £000	2019 £000
Provision brought forward	857	397
Profit and loss account movement arising during the year	(276)	460
Provision carried forward	581	857

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

15. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2020	2019
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	581	857
Other timing differences	-	-
	581	857

Deferred tax arising on the future sale of revalued land and buildings, not provided in these accounts in accordance with FRS 102, amounts to £676,970.

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2020		2019	
	No	£000	No	£000
Ordinary shares of £1 each	25,000	25	25,000	25
4.2% Cumulative preference shares of £1 each	10,000	10	10,000	10
	35,000	35	35,000	35

The cumulative preference shares confer on the holder priority in the payment of dividends and the repayment of capital.

17. REVALUATION RESERVE

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to an increase in the same asset.

18. ULTIMATE PARENT COMPANY

The company considers that the only group is headed by William Hare Group Limited, which is the ultimate parent company. Copies of the accounts are available on the public record at Companies House.

19. PENSION COMMITMENTS

The company operates defined contribution schemes for employees. The amount payable during the year amounted to £1,051,000 (2019: £1,037,000). There were no outstanding commitments at the balance sheet date (2019: £nil).

20. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

WILLIAM HARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

21. CONTINGENCIES

There is an Omnibus guarantee and set off agreement between Lloyds Bank plc, William Hare Limited, William Hare Group Limited, Cellbeam Limited and Cellshield Limited.

There is also a Composite Company unlimited multilateral guarantee given to HSBC UK bank plc by William Hare Limited, William Hare Group Limited, Cellbeam Limited and Cellshield Limited including an Omnibus Guarantee and set off.