

**Halyard (M&I) Ltd**

**Registered number: 01444615**

**Halyard (M&I) Ltd**

**Financial statements  
For the year ended 30 June 2017**



# **Halyard (M&I) Ltd**

## **Financial statements**

**For the year ended 30 June 2017**

### **Contents**

Directors and advisers.....	3
Independent auditors' report to the members of Halyard (M&I) Ltd .....	4
Statement of financial position at 30 June 2017 .....	7
Notes to the financial statements for the year ended 30 June 2017 .....	9

## **Halyard (M&I) Ltd**

### **Directors and advisers**

<b>Directors</b>	R D M J Summers R A Summers G Clapp
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds LS1 4DL
<b>Bankers</b>	Lloyds TSB Bank plc 2 <sup>nd</sup> Floor, Lisbon House 116 Wellington Street Leeds LS1 4LT
<b>Registered Office</b>	86a Cobham Road Ferndown Industrial Estate Wimborne Dorset BH21 7PQ
<b>Registered Number</b>	01444615

## Independent auditors' report to the members of Halyard (M&I) Ltd

Although the company is only required to file a balance sheet, the Companies Act 2006 requires the accompanying auditor's report to be a copy of our report to the members on the company's full annual accounts and directors' report. Readers are cautioned that the profit and loss account and certain other primary statements and the directors' report, referred to in the copy of our auditor's report, are not required to be filed with the Registrar of Companies.

### Report on the audit of the financial statements

#### Opinion

In our opinion, Halyard (M&I) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2017, the statement of income and retained earnings for the year ended 30 June 2017; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## Independent auditors' report to the members of Halyard (M&I) Ltd (continued)

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

## Independent auditors' report to the members of Halyard (M&I) Ltd (continued)

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

5 January 2018

## Statement of financial position at 30 June 2017

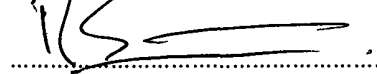
			2017		2016
	Note	£ 000s	£ 000s	£ 000s	£ 000s
<b>FIXED ASSETS</b>					
Intangible assets	5		88		113
Tangible assets	6		233		226
Investments	7		6		6
			<u>327</u>		<u>345</u>
<b>CURRENT ASSETS</b>					
Stocks	8	678		712	
Debtors	9	1,147		1,252	
Cash at bank and in hand		<u>318</u>		<u>-</u>	
		2,143		1,964	
<b>CREDITORS</b>					
Bank loans and overdrafts		-		(66)	
Amounts falling due within one year	10	<u>(888)</u>		<u>(780)</u>	
		(888)		(846)	
<b>NET CURRENT ASSETS</b>			<u>1,255</u>		<u>1,118</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,582</u>		<u>1,463</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation		(42)		(25)	
Other provisions		<u>(256)</u>		<u>(272)</u>	
			<u>(298)</u>		<u>(297)</u>
<b>NET ASSETS</b>			<u><u>1,284</u></u>		<u><u>1,166</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		61		61
Share premium account	12		23		23
Capital redemption reserve	12		2		2
Profit and loss account	12		<u>1,198</u>		<u>1,080</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>			<u><u>1,284</u></u>		<u><u>1,166</u></u>

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime. The notes on pages 9 to 17 form an integral part of these financial statements.

The statement of income and retained earnings and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

**Statement of financial position 30 June 2017 (continued)**

The financial statements on pages 7 to 17 were approved by the board of directors on 5<sup>th</sup> January 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R A Summers', is written over a horizontal dotted line.

R A Summers

Director

Company number: 01444615



## Notes to the financial statements for the year ended 30 June 2017

### 1. General information

Halyard (M&I) Ltd's principal business activities are the design, manufacture and installation of exhaust systems for the Marine and Industrial sectors. There have been no significant changes in the Company's principal activities in the year under review. The Company is a wholly owned subsidiary of Aegeus Marine Limited. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 86a Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7PQ.

### 2. Statement of compliance

The accounts have been prepared in accordance with the provisions of FRS 102 1A small entities. There were no material departures from that standard.

### 3. Accounting policies

These financial statements for the year ended 30 June 2017 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition to FRS 102 is 1 July 2015. The transition to FRS 102 Section 1A small entities has resulted in a small number of changes in accounting policies to those used previously. Details of the transition to FRS 102 are disclosed in note 15. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the prior year and have been consistently applied within these accounts.

#### **Basis of Preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are set out below:

- a. **Useful economic lives of tangible assets:** The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying value of property, plant and equipment and note 3 for the useful economic lives for each class of assets.
- b. **Warranty provision:** Management make an estimate of likely costs to arise in the future to enable it to fulfil its contractual obligations.
- c. **Impairment of debtors:** Management make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 9 for the carrying value of the debtors and associated impairment provision.

## Notes to the financial statements for the year ended 30 June 2017 (continued)

### 3. Accounting policies (continued)

#### Going concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### Exemptions

The company has taken advantage of the exemption, for small companies available under FRS 102 Section 1A not to produce a statement of cash flows.

#### Turnover

Turnover comprises amounts receivable in the ordinary course of business in respect of goods sold and services provided to third parties, excluding Value Added Tax. Amounts received in advance are deferred until goods or services are provided.

#### Intangible assets

Acquired goodwill arising on the hive-up of trade and assets from a subsidiary undertaking is written off in equal instalments over its estimated useful economic life. As the hive-up transaction took place five years post acquisition the acquired goodwill transferred from investments is being written off over a fifteen-year period giving an effective total useful economic life of twenty years.

Research and development costs are written off as incurred except those costs which are incurred on a specific project are carried forward when its future recoverability can be reasonably estimated. Any costs carried forward are amortised in line with the expected future sales from the related project. Rates of amortisation vary between 10% to 100%.

#### Tangible assets and depreciation

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost less estimated residual value of each asset evenly over its expected useful life in equal annual instalments. The rates of depreciation are as follows:

Plant and equipment	6% to 20%
Fixtures and fittings	10% to 20%
Computer equipment	20% to 33%
L/Term leasehold Property	10% or length of lease if shorter

## Notes to the financial statements for the year ended 30 June 2017 (continued)

### 3. Accounting policies (continued)

#### **Current tax**

UK Corporation tax is provided in respect of amounts expected to paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

#### **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 except for certain exceptions. 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 that are expected to apply to the reversal of the timing difference.

#### **Foreign Currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Differences arising on translation are taken to profit and loss.

#### **Pensions**

The company contributes to a defined contributions scheme. Contributions for the year are charged to profit and loss.

#### **Operating Leases**

Rentals under operating leases are charged to the profit and loss on a straight line basis over the lease term.

#### **Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

#### **Inventories**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

# Notes to the financial statements for the year ended 30 June 2017 (continued)

## 3. Accounting policies (continued)

### Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the time value of money and the risks specific to the obligation.

## 4. Employee Information

	2017	2016
The average monthly number of persons employed by the company during the year was:	59	52

## 5. Intangible assets

	Development Costs £000s	Goodwill £000s	Total £000s
Cost			
At 1 July 2016	263	181	444
Additions	1	-	1
At 30 June 2017	264	181	445
Accumulated amortisation			
At 1 July 2016	222	109	331
Charge for the year	14	12	26
At 30 June 2017	236	121	357
Net book value			
At 30 June 2017	28	60	88
At 30 June 2016	41	72	113

Notes to the financial statements for the year ended 30 June 2017  
(continued)

## 6. Tangible assets

	L/T Leasehold Property £000s	Other fixed assets £000s	Total £000s
Cost			
At 1 July 2016	255	1,210	1,465
Additions	23	43	66
At 30 June 2017	278	1,253	1,531
Accumulated amortisation			
At 1 July 2016	240	999	1,239
Charge for the year	10	49	59
At 30 June 2017	250	1,048	1,298
Net book value			
At 30 June 2017	28	205	233
At 30 June 2016	15	211	226

## 7. Investments

	Investments in subsidiary companies £ 000s
Cost and net book value At 1 July 16 and 30 June 17	6

Notes to the financial statements for the year ended 30 June 2017  
(continued)

8. Stocks

	2017 £000s	2016 £000s
Raw materials	229	217
Work in progress	169	190
Finished goods and goods for resale	280	305
	<u>678</u>	<u>712</u>

Stocks are stated after provision for impairment of £24,000 (2016: £17,000)

9. Debtors

	2017 £ 000s	2016 £ 000s
Trade Debtors	764	891
Amounts owed by group undertakings	114	110
Corporation tax	-	12
Other debtors	269	239
	<u>1,147</u>	<u>1,252</u>

Debtors are stated after provisions for impairment of £nil (2016: £2,000).

Notes to the financial statements for the year ended 30 June 2017  
(continued)

10. Creditors

	2017 £ 000s	2016 £ 000s
Payments received on account	56	120
Trade creditors	607	503
Amounts owed to group undertakings	6	6
Other taxation and social security	86	72
Accruals and deferred income	133	79
	<hr/> 888	<hr/> 780

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11. Called up share capital

	2017 £000s	2016 £000s
Allocated, called up capital and fully paid 60,500 (2016 - 60,500) Ordinary shares of £1 each	61	61

Notes to the financial statements for the year ended 30 June 2017  
(continued)

12. Miscellaneous reserves

	Share premium account £000s	Capital redemption reserve £000s	Profit and loss account £000s
At 1 July 2016	23	2	1,080
Profit for the financial year	-	-	118
At 30 June 2017	23	2	1,198

13. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £54,000 (2016: £63,000). Contributions totalling £8,000 (2016: £9,000) were payable to the fund at the balance sheet date and are included in creditors.

14. Ultimate parent undertaking

The company's immediate and ultimate parent undertaking is Aegeus Marine Limited which is registered in England and Wales.

Shares in this company are held in the following proportions:

Shareholder	No Shares	% Shareholding
R D M J Summers	3,334	33
R A Summers	3,333	33
E G Summers (spouse of R D M J Summers)	3,333	33

Consequently there is considered to be no single ultimate controlling related party.

The registered address for Aegeus Marine Limited is 86 Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7PQ.



Notes to the financial statements for the year ended 30 June 2017  
(continued)

15. Transition to FRS 102

Transition adjustments		2016
		£000s
Loss for the financial year		
UK GAAP - As previously reported		(114)
Holiday Pay Accrual	(4)	
Total adjustment before tax for the financial year		(4)
Total adjustment to tax expense		-
Total adjustment for the financial year		(4)
<b>FRS 102</b>		<b>(118)</b>

	1 July 2015	30 June 2016
	£000s	£000s
Total shareholders' funds		
UK GAAP - As previously reported	1,219	1,105
Holiday Pay Accrual	(21)	(25)
<b>FRS 102</b>	<b>1,198</b>	<b>1,080</b>

A Holiday pay accrual FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £21,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 30 June 2016 an additional charge of £4,000 was recognised in the profit and loss account and the liability at 30 June 2016 was £25,000.