

Halyard (M&I) Limited

Unaudited Financial Statements

Year Ended

30 June 2020

Company Number 01444615

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Halyard (M&I) Limited

Registered number:01444615

Balance Sheet As at 30 June 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	5		27,948		40,289
Tangible assets	6		273,512		268,892
Investments	7		5,500		5,500
			<u>306,960</u>		<u>314,681</u>
Current assets					
Stock		776,933		897,681	
Debtors	8	914,639		1,177,864	
Cash at bank and in hand		253,917		289,739	
		<u>1,945,489</u>		<u>2,365,284</u>	
Creditors: amounts falling due within one year	9	(804,266)		(950,223)	
Net current assets			<u>1,141,223</u>		<u>1,415,061</u>
Total assets less current liabilities			<u>1,448,183</u>		<u>1,729,742</u>
Creditors: amounts falling due after more than one year	10		(11,607)		(3,654)
			<u>1,436,576</u>		<u>1,726,088</u>
Provisions for liabilities					
Deferred tax	12	(44,643)		(37,728)	
Other provisions	13	(222,498)		(215,196)	
			<u>(267,141)</u>		<u>(252,924)</u>
Net assets			<u><u>1,169,435</u></u>		<u><u>1,473,164</u></u>

Halyard (M&I) Limited
Registered number:01444615

Balance Sheet (continued)
As at 30 June 2020

	2020 £	2019 £
Capital and reserves		
Called up share capital	60,500	60,500
Share premium account	23,449	23,449
Capital redemption reserve	2,055	2,055
Profit and loss account	1,083,431	1,387,160
	<u>1,169,435</u>	<u>1,473,164</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

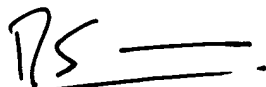
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2020.



R A Summers
Director

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

1. General information

Halyard (M&I) Limited is a private company limited by shares and is incorporated and domiciled in England, under the Companies Act 2006. Halyard (M&I)'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. The address of its registered office is 86a Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7PQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate for the reason set out below.

The directors have:

- Undertaken a detailed review of trading a cash flow forecast to 31 December 2021.
- Prepared detailed forecasts to the 31 December 2021 which reflect the known impact of COVID-19 on the Company at the date of preparation.

These forecasts reflect the benefits of a restructuring exercise that commenced before the year-end and show the company is expected to remain profitable and cash generative over the period.

The company funds its working capital through an existing approved overdraft facility. This facility meets the company's current and future funding requirements and was renewed in July 2020. No requests have been made to further extend the facility due to the impact of COVID-19.

Based upon this review and the facilities available to the Company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 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.

2.5 Operating leases: the company as lessee

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

2.6 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Goodwill

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

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%.

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10% or length of lease if shorter
Plant and equipment	-	6% to 20%
Motor vehicles	-	20%
Office equipment	-	10% to 20%
Computer equipment	-	20% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under the course of construction are not depreciated until they are brought into use.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of turnover and expenses during the reporting period.

The areas where judgements and estimates are significant to the financial statements are set out below:

Useful economic lives of intangible and tangible assets:

The annual amortisation and depreciation charge for intangible and 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.

Warranty provision:

Management make an estimate of likely costs to arise in the future to enable it to fulfil its contractual obligations.

Provision for dilapidations:

The Company occupies a number of properties under full tenant repairing leases. Provision has been made for the cost of repairs and terminal dilapidations, which the Company is obliged to undertake under the terms of the lease. The provision is based with reference to an external assessment.

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.

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

4. Employees

The average monthly number of employees, including directors, during the year was 56 (2019 - 63).

5. Intangible assets

	Development costs £	Goodwill £	Total £
Cost			
At 1 July 2019	172,682	180,917	353,599
At 30 June 2020	172,682	180,917	353,599
Amortisation			
At 1 July 2019	168,590	144,720	313,310
Provided for the year	281	12,060	12,341
At 30 June 2020	168,871	156,780	325,651
Net book value			
At 30 June 2020	3,811	24,137	27,948
At 30 June 2019	4,092	36,197	40,289

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

6. Tangible fixed assets

	Long-term leasehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Computer equipment £	Assets in course of construction £	Total £
Cost							
At 1 July 2019	278,182	698,068	32,375	54,938	311,001	97,762	1,472,326
Additions	-	43,810	-	-	18,864	1,534	64,208
Disposals	(440)	-	-	-	-	-	(440)
Transfers between classes	-	2,642	-	329	2,711	(5,682)	-
At 30 June 2020	277,742	744,520	32,375	55,267	332,576	93,614	1,536,094
Depreciation							
At 1 July 2019	260,643	586,064	25,229	44,398	287,100	-	1,203,434
Provided for the year	2,647	36,435	1,715	3,586	15,205	-	59,588
Disposals	(440)	-	-	-	-	-	(440)
At 30 June 2020	262,850	622,499	26,944	47,984	302,305	-	1,262,582
Net book value							
At 30 June 2020	14,892	122,021	5,431	7,283	30,271	93,614	273,512
At 30 June 2019	17,539	112,004	7,146	10,540	23,901	97,762	268,892

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

6. Tangible fixed assets (continued)

The net book value of Motor Vehicle assets held under hire purchase contracts included in the above is £5,431 (2019 - £7,146).

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 July 2019 and 30 June 2020	<u>5,500</u>

8. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	433,834	799,402
Amounts owed by group undertakings	116,927	116,827
Other debtors	44,494	-
Prepayments and accrued income	319,384	261,635
	<u>914,639</u>	<u>1,177,864</u>

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Payments received on account	114,307	89,873
Trade creditors	368,041	618,349
Amounts owed to group undertakings	5,500	5,500
Corporation tax	-	33,395
Other taxation and social security	98,205	114,472
Net obligations under finance lease and hire purchase contracts	6,945	2,853
Accruals and deferred income	211,268	85,781
	<u>804,266</u>	<u>950,223</u>

There are no amounts included under 'creditors' which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of five years beginning with the day next following the reporting date.

There are no amounts under 'creditors' in respect of which any security has been given by the company.

10. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>11,607</u>	<u>3,654</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	6,945	2,852
Between 1-5 years	11,607	3,654
	<u>18,552</u>	<u>6,506</u>

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

12. Deferred taxation

	2020 £
At beginning of year	(37,728)
Charged to profit or loss	(6,915)
At end of year	(44,643)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(44,643)	(37,728)

13. Provisions

	Dilapidations £	Warranty £	Total £
At 1 July 2019	210,880	4,316	215,196
Charged to profit or loss	1,158	9,246	10,404
Release unused	-	(765)	(765)
Utilised in year	-	(2,337)	(2,337)
At 30 June 2020	212,038	10,460	222,498

14. Commitments under operating leases

At 30 June 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Commitments	391,128	446,875

Halyard (M&I) Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

15. Independent Review Report

An independent review on the unaudited financial statements for the year ended 30 June 2020 was conducted in accordance with International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400) and ICAEW Technical Release TECH 09/13AAF Assurance Review Engagements on Historical Financial Statements. The unqualified review report was signed by BDO LLP on 1 December 2020.