

Company Registration No. 02021691 (England and Wales)

ROWE HANKINS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
PAGES FOR FILING WITH REGISTRAR



ROWE HANKINS LIMITED

COMPANY INFORMATION

Directors	L C Crawford R Sykes P Briscoe (Appointed 10 May 2021)
Secretary	P Briscoe
Company number	02021691
Registered office	Power House Mason Street Bury Lancashire BL9 0RH
Accountants	Royce Peeling Green Limited The Copper Room Deva Centre Trinity Way Manchester M3 7BG
Bankers	National Westminster Bank plc 463 Bury New Road Prestwich Manchester M25 1AB

ROWE HANKINS LIMITED

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ROWE HANKINS LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		119,095		122,493
Current assets					
Stocks		487,580		473,433	
Debtors	4	1,416,805		1,390,258	
Cash at bank and in hand		1,069,550		876,930	
		<u>2,973,935</u>		<u>2,740,621</u>	
Creditors: amounts falling due within one year	6	<u>(1,053,303)</u>		<u>(991,665)</u>	
Net current assets			1,920,632		1,748,956
Total assets less current liabilities			<u>2,039,727</u>		<u>1,871,449</u>
Creditors: amounts falling due after more than one year	5		(42,094)		(2,933)
Provisions for liabilities			(10,515)		(10,609)
Net assets			<u>1,987,118</u>		<u>1,857,907</u>
Capital and reserves					
Called up share capital			4,500		4,500
Share premium account			1,900		1,900
Other reserves			400		400
Profit and loss reserves			1,980,318		1,851,107
Total equity			<u>1,987,118</u>		<u>1,857,907</u>

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

For the financial year ended 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

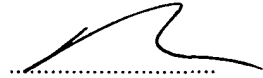
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ROWE HANKINS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2021

The financial statements were approved by the board of directors and authorised for issue on 27/10/2021 and are signed on its behalf by:



P Briscoe
Director

Company Registration No. 02021691

ROWE HANKINS LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 JULY 2021**

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 August 2019		4,500	1,900	400	1,622,457	1,629,257
Year ended 31 July 2020:						
Profit and total comprehensive income for the year		-	-	-	368,650	368,650
Dividends		-	-	-	(140,000)	(140,000)
Balance at 31 July 2020		4,500	1,900	400	1,851,107	1,857,907
Year ended 31 July 2021:						
Profit and total comprehensive income for the year		-	-	-	646,226	646,226
Dividends		-	-	-	(517,015)	(517,015)
Balance at 31 July 2021		4,500	1,900	400	1,980,318	1,987,118

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Rowe Hankins Limited is a private company limited by shares incorporated in England and Wales. The registered office is Power House, Mason Street, Bury, Lancashire, BL9 0RH.

The principal activity of the company continued to be that of design, manufacture, distribution, service and maintenance of railway electrical and electronic systems.

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have reviewed the company's forecasts and projections and, in particular, have considered the potential implications of the Covid-19 coronavirus pandemic. Whilst the eventual financial impact of the pandemic on the company, and on the overall economy, remains uncertain, the directors are confident that the company will be able to remain operational throughout the pandemic. During the pandemic to date, the business has continued to operate at normal activity levels.

With the benefit of the government support packages available to help businesses through the pandemic, the directors have a reasonable expectation that the company will have adequate resources to continue in operation existent for the foreseeable future.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Building alterations	10% straight line
Plant and machinery	15% / 20% straight line
Fixtures, fittings & equipment	10% / 33% straight line
Motor vehicles	20% straight line

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.

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.

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.

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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 and loans from fellow group, 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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

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.

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.

1.13 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

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in independently administered funds.

Contributions to the defined contribution pension scheme are charged to profit or loss in the year to which the contributions relate.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the accounting period the company has received government assistance in the form of furlough payments for staff following the Covid-19 coronavirus pandemic. This amount has been classified as other income within the profit and loss account.

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 during the year was 39 (2020: 39).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2020	182,640	643,124	825,764
Additions	5,984	50,403	56,387
Disposals	-	(265,866)	(265,866)
At 31 July 2021	188,624	427,661	616,285
Depreciation and impairment			
At 1 August 2020	140,116	563,155	703,271
Depreciation charged in the year	18,391	38,492	56,883
Eliminated in respect of disposals	-	(262,964)	(262,964)
At 31 July 2021	158,507	338,683	497,190
Carrying amount			
At 31 July 2021	30,117	88,978	119,095
At 31 July 2020	42,524	79,969	122,493

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

4 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	535,692	467,989
Amounts owed by group undertakings	818,951	818,951
Other debtors	62,162	103,318
	<u>1,416,805</u>	<u>1,390,258</u>

5 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	42,094	-
Other creditors	-	2,933
	<u>42,094</u>	<u>2,933</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	7,906	-
Trade creditors	264,345	307,572
Corporation tax	184,892	39,789
Other taxation and social security	70,135	117,520
Other creditors	526,025	526,784
	<u>1,053,303</u>	<u>991,665</u>

Net obligations under finance lease and hire purchase contracts, included within Other creditors, are secured by fixed charges on the assets concerned.

The invoice discounting facility, included within bank and cash, is secured over the book debts of the company.

Included within other creditors is a balance of £150,000 (2020: £200,000) due to the Rowe Hankins (1988) Retirement Benefits Scheme. This is a 60 month fixed term secured loan facility agreement at a fixed interest rate of 4% per annum.

There is a debenture charge over the assets of the company, effective from 11 February 1993.

ROWE HANKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

7 Contingent liabilities

At the year end, the company has contingent liabilities in respect of a potential warranty claim and an onerous contract. It is not practicable to reliably estimate the quantum or the timing of any cash outflows associated with these contingent liabilities and as such no provision has been made in the financial statements.

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:

2021	2020
£	£
420,892	75,000

9 Related party transactions

The company operates from premises leased from the Rowe Hankins (1988) Retirement Benefits Scheme and during the year paid rent of £75,000 (2020: £75,000). The balance outstanding at the year end was £14,579.

At the year end, the balance owing to Rowe Hankins (1988) Retirement Benefits Scheme in respect of a 60 month fixed term secured loan facility was £150,000 (2020: £200,000).

At the year end, Mr T W Hankins, a former director, was owed by the company £16,150 (2020: £110,170),

At the year end, Mrs L C Crawford, a director, was owed by the company £NIL (2020: £10,714),

10 Parent company

The immediate parent company is Rowe Hankins (Holdings) Limited, a company incorporated in England & Wales.

The ultimate controlling party is the Rowe Hankins Employee Ownership Trust, who has the majority shareholding in the parent company's issued ordinary share capital.