

Registered number: 02471706

NORTH DEVON HOSE & HYDRAULICS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2022

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NORTH DEVON HOSE & HYDRAULICS LIMITED

COMPANY INFORMATION

Directors	Richard James Davies Alessandro Lala
Company secretary	John Morrison
Registered number	02471706
Registered office	10 - 11 Charterhouse Square London EC1M 6EE

NORTH DEVON HOSE & HYDRAULICS LIMITED

CONTENTS

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Profit and Loss Account	3
Balance Sheet	4 - 5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 18

NORTH DEVON HOSE & HYDRAULICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the 9 month period ended 30 September 2022.

The principal activity of the Company continued to be the supply and assembly of flexible hose products.

Subsequent to the year end, the trade and assets of the Company were sold to Pearson Hydraulics Limited, a fellow company under the ultimate ownership of Diploma PLC. As the principal activity of the Company has ceased, the Directors intend to make the Company dormant and the financial statements have therefore been prepared on a basis other than going concern."

The Company is managed as part of an overall group of companies whose ultimate parent company is Diploma PLC ("the Group").

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately.

The matters required to be discussed in the Business Review, which include the key performance indicators, financial risk management policies and principal risks and uncertainties, are set out in the Annual Report of Diploma PLC on pages 82 to 88.

A copy of this is available on the website at www.diplomapl.com or can be obtained from Diploma PLC, 10-11 Charterhouse Square, London, EC1M 6EE.

Results and dividends

The profit for the period, after taxation, amounted to £18,000 (Year ended 31 December 2021: £46,000).

The Directors did not pay a dividend for the 9 month period ended 30 September 2022 (Year ended 31 December 2021: 40,000).

Directors

The directors who served during the period and up to the date of signing the report were:

Richard James Davies

Alessandro Lala (appointed 1 October 2022)

Barbara Gibbes (appointed 6 April 2022, resigned 30 September 2022)

Chris Ford (resigned 6 April 2022)

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

This report was approved by the board on 27 June 2023 and signed on its behalf.



R Davies
Director

NORTH DEVON HOSE & HYDRAULICS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

NORTH DEVON HOSE & HYDRAULICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	Note	9 month period 30 September 2022 £000	Year ended 31 December 2021 £000
Turnover	4	439	495
Cost of sales		(187)	(188)
Gross profit		252	307
Administrative expenses		(234)	(252)
Other operating income		-	2
Operating profit		18	57
Tax on profit	6	-	(11)
Profit for the financial period		18	46

The notes on pages 7 to 18 form part of these financial statements.

NORTH DEVON HOSE & HYDRAULICS LIMITED
REGISTERED NUMBER: 02471706

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 £000	31 December 2021 £000
Fixed assets			
Tangible assets	8	42	50
		<u>42</u>	<u>50</u>
Current assets			
Stocks	9	158	154
Debtors: amounts falling due within one year	10	287	261
Cash at bank and in hand	11	16	3
		<u>461</u>	<u>418</u>
Creditors: amounts falling due within one year	12	(140)	(105)
Net current assets		<u>321</u>	<u>313</u>
Total assets less current liabilities		<u>363</u>	<u>363</u>
Creditors: Amounts Falling Due After More Than One Year	13	-	(18)
Provisions for liabilities			
Deferred tax		(11)	(11)
		<u>(11)</u>	<u>(11)</u>
Net assets		<u><u>352</u></u>	<u><u>334</u></u>
Capital and reserves			
Profit and loss account		352	334
		<u><u>352</u></u>	<u><u>334</u></u>

The Company's financial statements have been prepared in accordance with the 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 27 June 2023.



R Davies
Director

NORTH DEVON HOSE & HYDRAULICS LIMITED
REGISTERED NUMBER: 02471706

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2022

The notes on pages 7 to 18 form part of these financial statements.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479a of 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.

NORTH DEVON HOSE & HYDRAULICS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2021	328	328
Comprehensive income for the year		
Profit for the year	46	46
Dividends	(40)	(40)
Total transactions with owners	(40)	(40)
At 31 December 2021	334	334
Comprehensive income for the period		
Profit for the period	18	18
At 30 September 2022	352	352

The notes on pages 7 to 18 form part of these financial statements.

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. General information

The Company is a private company, limited by shares, incorporated and domiciled in the United Kingdom under Companies Act 2006 and registered in England and Wales. The address of the registered office is 10-11 Charterhouse Square, London, EC1M 6EE. The Company is part of a UK listed group with all revenue originating in the UK therefore the Company's functional currency is UK Sterling. The Company's financial statements are presented in UK Sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

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 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Diploma PLC as at 30 September 2022 and these financial statements may be obtained from www.diplomapl.com.

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Going Concern

At 30 September 2022, the Company had net assets of £352,000 (31 December 2021: £334,000).

Subsequent to the year end, the trade and assets of the Company were sold to a fellow company under the ultimate ownership of Diploma PLC. Accordingly, as the principal activity of the Company has ceased, the Directors intend to make the Company dormant and the financial statements have therefore been prepared on a basis other than going concern. No adjustments were required to the assets or liabilities of the Company as a result of preparing the financial statements on this basis.

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 in the countries where the Company operates and generates income.

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.

2.6 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	15% Reducing balance method
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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.

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.7 Stocks

Stocks are 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are 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.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The application of the Company's accounting policies requires the use of management judgement and estimation, which often involves assumptions regarding future events which can vary from what is anticipated. The preparation of the Company's financial statements does not require management to make any critical accounting judgements, assumptions or estimates with regard to assets or liabilities that could potentially have a material adjustment to the carrying amount of assets or liabilities in the next 12 months.

The Directors believe that the financial statements reflect appropriate judgements and estimates and provide a true and fair view of the Company's performance and financial position.

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

4. Turnover

Analysis of turnover by country of destination:

	9 month period ended 30 September 2022 £000	<i>Year ended 31 December 2021 £000</i>
United Kingdom	439	495
	439	495

All turnover arose within the United Kingdom.

All revenue is recognised as point-in-time and there was no accrued income ("contract assets") or deferred income ("contract liabilities") included in trade and other receivables (note 10) and trade and other payables (note 12), respectively (2021: £nil).

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

5. Employees

	9 month period ended 30 September 2022 £000	<i>Year ended 31 December 2021 £000</i>
Wages and salaries	121	<i>143</i>
	121	<i>143</i>

No Directors received emoluments during the year in respect of their services to the Company (2021: None). The Directors were remunerated by other Group Companies and their remuneration is not allocable to the Company.

The average monthly number of employees, including the directors, during the period was as follows:

	9 month period ended 30 September 2022 No.	<i>Year ended 31 December 2021 No.</i>
Management	1	<i>1</i>
Sales	3	<i>3</i>
Admin	1	<i>1</i>
	5	<i>5</i>

NORTH DEVON HOSE & HYDRAULICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

6. Taxation

	9 month period ended 30 September 2022 £000	<i>Year ended 31 December 2021 £000</i>
Corporation tax		
Current tax on profits for the year	-	11
	<u>-</u>	<u>11</u>
Total current tax	<u>-</u>	<u>11</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>11</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	9 month period ended 30 September 2022 £000	<i>Year ended 31 December 2021 £000</i>
Profit on ordinary activities before tax	<u>18</u>	<u>57</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>3</u>	<u>11</u>
Effects of:		
Other differences leading to an increase (decrease) in the tax charge	<u>(3)</u>	<u>-</u>
Total tax charge for the period/year	<u>-</u>	<u>11</u>

Factors that may affect future tax charges

NORTH DEVON HOSE & HYDRAULICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

6. Taxation (continued)

The rate of corporation tax will raise to 25% from 1 April 2023, as enacted by the Finance Act 2021. Profits earned in financial year 2023 will be subject to taxation at a hybrid rate of 22% and subsequent financial periods thereafter will be taxed at 25%.

NORTH DEVON HOSE & HYDRAULICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

7. Dividends

	9 month period ended 30 September 2022 £000	<i>Year ended 31 December 2021 £000</i>
Dividends	-	40
	<u>-</u>	<u>40</u>
	<u>-</u>	<u>40</u>

No Dividends were declared during the 9 month period ended 30 September 2022. (Year ended 31 December 2021: £40,000)

8. Tangible fixed assets

	Plant and machinery £000
Cost	
At 1 January 2022	121
Additions	2
	<u>123</u>
At 30 September 2022	<u>123</u>
Depreciation	
At 1 January 2022	71
Charge for the period	10
	<u>81</u>
At 30 September 2022	<u>81</u>
Net book value	
At 30 September 2022	<u>42</u>
At 31 December 2021	<u>50</u>

At the reporting end date the company had assets on finance or under HP of £0 (31 December 2021: £0).

NORTH DEVON HOSE & HYDRAULICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

9. Stocks

	30 September 2022 £000	<i>31 December 2021 £000</i>
Finished goods	158	154
	158	154

There is no material difference between the balance sheet value of stocks and their replacement cost.

10. Debtors

	30 September 2022 £000	<i>31 December 2021 £000</i>
Trade debtors	112	69
Amounts owed by group undertakings	175	175
Other debtors	-	17
	287	261

11. Cash and cash equivalents

	30 September 2022 £000	<i>31 December 2021 £000</i>
Cash at bank and in hand	16	3
Less: bank overdrafts	-	(5)
	16	(2)

NORTH DEVON HOSE & HYDRAULICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

12. Creditors: Amounts falling due within one year

	30 September 2022 £000	<i>31 December 2021 £000</i>
Bank overdrafts	-	5
Trade creditors	62	63
Amounts owed to group undertakings	10	10
Other taxation and social security	18	8
Corporation tax	2	-
Other creditors	48	19
	<u>140</u>	<u>105</u>

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

	30 September 2022 £000	<i>31 December 2021 £000</i>
Obligations under finance lease and hire purchase contracts	-	18
	<u>-</u>	<u>18</u>

14. Share capital

	30 September 2022 £000	<i>31 December 2021 £000</i>
Allotted, called up and fully paid		
2 (2021 - 2) Ordinary Share Capital shares of £1.00 each	-	-

2022 - 2 Ordinary Share Capital. Showing (£nil) due to accounts being rounded to the nearest thousand. (2021: 2).

15. Finance lease commitments

At the reporting end date the company had outstanding finance lease commitments of £0 (31 December 2021: £22,000).

NORTH DEVON HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

16. Post balance sheet events

Subsequent to the year end, the trade and assets of the Company were sold to Pearson Hydraulics Ltd, a fellow company under the ultimate ownership of Diploma PLC for consideration equal to the book value of the Company immediately prior to the sale.

17. Controlling party

On 6 April 2022, 100% of the share capital of the Company's ultimate parent company, R&G Fluid Power Group Limited, was acquired by R&G Fluid Power Holdings Limited, a company registered in England and Wales and under the ultimate ownership of Diploma PLC.

Subsequent to 6 April 2022, The Company's ultimate parent undertaking and ultimate controlling party is Diploma PLC, a company incorporated in the United Kingdom and registered in England and Wales, which is the smallest and largest group into which the results of the Company are consolidated.

Copies of the Group's financial statements are available from Diploma PLC, 10-11 Charterhouse Square, London, England, EC1M 6EE.