

COMPANIES HOUSE COPY

HW Machinery Limited

Report and Financial Statements

Year Ended

31 March 2018

Company Number 03721208



HW Machinery Limited

Contents of the financial statements for the year ended 31 March 2018

Page

2	Director's report
5	Independent auditor's report
8	Income statement
9	Other comprehensive income statement
10	Balance sheet
11	Statement of changes in equity
12	Notes to the financial statements

Director

J G Harris

Secretary and registered office

J G Harris, Unit 15C, Blackpole East, Blackpole Road, Worcester, WR3 8YB

Company number

03721208

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

HW Machinery Limited

Director's report for the year ended 31 March 2018

The director presents his report with the financial statements of the company for the year ended 31 March 2018.

Principal activity

The principal activity of the company continues to be the holding of investments in subsidiary companies.

During the prior year, the principal trading company of the group was placed into administration, an important trading subsidiary was sold to a third party company and a number of other trading companies were sold to a related party company as follows:

Froude Hofmann Limited	Placed into administration on 25 April 2016
Froude Hofmann Inc	Sold on 30 September 2016
FH (GB) Limited	Sold on 30 September 2016
ATS-Elbtalwerk GmbH	Sold on 30 September 2016
Compact Orbital Gears Limited	Sold on 30 September 2016
Kinetic Engineering Limited	Sold on 30 September 2016

As at the date of the signing of these financial statements, the group comprises the parent company and a number of overseas companies (that were primarily sales offices for the company that was placed into administration) that are no longer actively trading and are being prepared for cessation once any residual contractual obligations have been met as follows:

Froude Hofmann Industria e Comercio Ltda	(Brazil)
Froude Hofmann Test Technology India (pvt) Limited	(India)
Froude Hofmann Russia	(Russia)
Froude Hofmann (Shanghai) Ltd	(China)

During the year, the company acquired Kinetic Engineering Limited from a related party company. Kinetic Engineering Limited ceased trading following acquisition and the company is being closed down in a controlled manner.

Results

The income statement is set out on page 8 and shows a loss for the year of £5,563k (2017 – profit of £326k).

Dividends

No dividends will be distributed for the year ended 31 March 2018 (2017 - £Nil).

Director

J G Harris held office during the whole of the period from 1 April 2017 to the date of this report.

HW Machinery Limited

Director's report for the year ended 31 March 2018 (*continued*)

Post balance sheet events

There have been no significant events affecting the company since the year end.

Going concern

The company has net current liabilities at the year end of £19,188,000 (2017 - £12,083,000) and net liabilities at the year end of £38,740,000 (2017 - £33,177,000).

Included within the company's liabilities due within one year are amounts due to related party undertakings amounting to £18,358,000 (2017 - £11,629,000). The director (who is also the sole director of the related party undertakings) has placed reliance on confirmation received from the respective related party undertakings that these amounts will not be requested for repayment for at least a period of 12 months following the date of approval of these financial statements. Included within the company's liabilities due after more than one year is a director's loan account amounting to £19,552,000 (2017 - £21,094,000). The director has confirmed that he will continue to provide financial support to the company as is necessary in order for it to pay all external creditors as they fall due for payment for at least a period of 12 months following the date of approval of these financial statements.

Given the above, the director considers it appropriate to continue to adopt the going concern basis in preparing the financial statements.

HW Machinery Limited

Director's report for the year ended 31 March 2018 (*continued*)

Statement of directors' responsibilities

The directors are responsible for preparing the director's 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 these financial statements, the directors are required to:

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

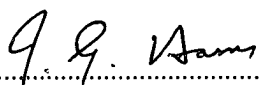
Auditors

The auditors will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board:


.....
J G Harris - Director

Date: 19-6-19

HW Machinery Limited

Independent auditor's report

TO THE MEMBERS OF HW MACHINERY LIMITED

Opinion

We have audited the financial statements of HW Machinery Limited ("the Company") for the year ended 31 March 2018 which comprise the income statement, the other comprehensive income statement, the balance sheet, the 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 March 2018 and of its loss 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

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

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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.

HW Machinery Limited

Independent auditor's report (*continued*)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Director was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

HW Machinery Limited

Independent auditor's report (*continued*)

Responsibilities of Directors

As explained more fully in the director's report, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

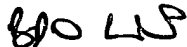
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Thomas Lawton (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Birmingham

Date: 20 June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

HW Machinery Limited

Income statement for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Administrative expenses - including exceptional costs of £5,116k (2017 - £110k)	5	(5,563)	(83)
Operating loss	5	(5,563)	(83)
Income from fixed asset investments		-	409
Interest receivable and similar income	6	-	-
Interest payable and similar charges	7	-	-
(Loss) / profit on ordinary activities before taxation		(5,563)	326
Taxation on (loss) / profit from ordinary activities	8	-	-
(Loss) / profit for the year		(5,563)	326

The notes on pages 12 to 21 form part of these financial statements

HW Machinery Limited

Other comprehensive income for the year ended 31 March 2018

	2018 £'000	2017 £'000
(Loss) / profit for the year	(5,563)	326
Other comprehensive income	-	-
Total comprehensive (loss) / profit for the year	(5,563)	326

The notes on pages 12 to 21 form part of these financial statements.


HW Machinery Limited

Balance sheet as at 31 March 2018

<i>Company number 03721208</i>	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Investments	9		-		-
Current assets					
Debtors	10	-		-	
Cash at bank and in hand		5		6	
		<u>5</u>		<u>6</u>	
Creditors: amounts falling due within one year	11	(19,193)		(12,089)	
Net current liabilities			(19,188)		(12,083)
Total assets less current liabilities			(19,188)		(12,083)
Creditors: amounts falling due after more than one year	12		(19,552)		(21,094)
Net liabilities			(38,740)		(33,177)
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account			(38,740)		(33,177)
Shareholders' deficit			(38,740)		(33,177)

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

The financial statements were approved by the Board of Directors on 19-6-19 and were signed on its behalf by:


.....
J G Harris – Director

The notes on pages 12 to 21 form part of these financial statements.

HW Machinery Limited

Statement of changes in equity for the year ended 31 March 2018

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2017	-	(33,177)	(33,177)
Changes in equity			
Total comprehensive loss for the year	-	(5,563)	(5,563)
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2018	-	(38,740)	(38,740)
	<u> </u>	<u> </u>	<u> </u>
	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
Balance at 1 April 2016	-	(33,503)	(33,503)
Changes in equity			
Total comprehensive profit for the year	-	326	326
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2017	-	(33,177)	(33,177)
	<u> </u>	<u> </u>	<u> </u>

The notes on pages 12 to 21 form part of these financial statements.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018

1 Accounting policies

Basis of preparing the financial statements

HW Machinery Limited is a private company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given in the contents page and the principal activity of the company is set out in the director's report.

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"); under the historical cost convention and in accordance with the Companies Act 2006.

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

Preparation of parent company only financial statements

During the prior year, the principal trading company of the group was placed into administration, an important trading subsidiary was sold to a third party company and a number of other trading companies were sold to a related party company as follows:

Froude Hofmann Limited	Placed into administration on 25 April 2016
Froude Hofmann Inc	Sold on 30 September 2016
FH (GB) Limited	Sold on 30 September 2016
ATS-Elbtalwerk GmbH	Sold on 30 September 2016
Compact Orbital Gears Limited	Sold on 30 September 2016
Kinetic Engineering Limited	Sold on 30 September 2016

As at the date of the signing of these financial statements, the group comprises the parent company and a number of overseas companies (that were primarily sales offices for the company that was placed into administration) that are no longer actively trading and are being prepared for cessation once any residual contractual obligations have been met as follows:

Froude Hofmann Industria e Comercio Ltda	(Brazil)
Froude Hofmann Test Technology India (pvt) Limited	(India)
Froude Hofmann Russia	(Russia)
Froude Hofmann (Shanghai) Ltd	(China)

During the year, the company acquired Kinetic Engineering Limited from a related party company. Kinetic Engineering Limited ceased trading following acquisition and the company is being closed down in a controlled manner.

The company has taken the exemption not to prepare group accounts on the basis that it is subject to the small companies' regime.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 *(continued)*

1 Accounting policies *(continued)*

Going concern

The company has net current liabilities at the year end of £19,188,000 (2017 - £12,083,000) and net liabilities at the year end of £38,740,000 (2017 - £33,177,000).

Included within the company's liabilities due within one year are amounts due to related party undertakings amounting to £18,358,000 (2017 - £11,629,000). The director (who is also the sole director of the related party undertakings) has placed reliance on confirmation received from the respective related party undertakings that these amounts will not be requested for repayment for at least a period of 12 months following the date of approval of these financial statements. Included within the company's liabilities due after more than one year is a director's loan account amounting to £19,552,000 (2017 - £21,094,000). The director has confirmed that he will continue to provide financial support to the company as is necessary in order for it to pay all external creditors as they fall due for payment for at least a period of 12 months following the date of approval of these financial statements.

Given the above, the director considers it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment.

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 3 months.

Creditors

Short term creditors are measured at transaction price

Financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Interest income

Interest income is recognised in the income statement using the effective interest method.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 (*continued*)

1 Accounting policies (*continued*)

Borrowing costs

All borrowing costs are recognised in the income statement in the year in which they are incurred.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 Accounting judgements and estimates

In preparing these financial statements, the director has had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are:

Going concern

When making the assessment upon the company's ability to continue as a going concern, the director considers various factors, including financial support provided to the company. This assessment covers at least twelve months following the date of approval of the financial statements.

The director has placed reliance on confirmation received from respective related party undertakings that amounts owed will not be requested for repayment for at least a period of 12 months following the date of approval of these financial statements. The director has also confirmed that he will continue to provide financial support to the company as is necessary in order for it to pay all external creditors as they fall due for payment for at least a period of 12 months following the date of approval of these financial statements.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 *(continued)*

3 Staff costs

	2018 £'000	2017 £'000
Wages and salaries	-	209
Social security costs	-	18
Pension	-	15
	<u>-</u>	<u>242</u>

The average monthly number of employees during the year was as follows:

	2018 Number	2017 Number
Administration	1	4
	<u>1</u>	<u>4</u>

4 Director's remuneration

	2018 £'000	2017 £'000
Director's remuneration	-	-
	<u>-</u>	<u>-</u>

The director, also deemed to be the key management personnel, is a full time executive of other group companies and did not receive any remuneration for services provided to this company. It is not practicable to allocate the emoluments for other services.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 *(continued)*

5 Operating loss

The operating loss is stated after charging:

	2018 £'000	2017 £'000
Amounts written off investments	805	-
Provisions against amounts due from group undertakings and undertakings in which the company has a participating interest	4,311	110
Auditors' remuneration	14	17
	<u> </u>	<u> </u>

Exceptional items

During the year, the company has incurred exceptional costs relating to amounts written off investments totalling £805k (2017 - £ Nil) and provisions against amounts due from group undertakings and undertakings in which the company has a participating interest totalling £4,311k (2017 - £110k).

6 Interest receivable and similar income

	2018 £'000	2017 £'000
Loans to group undertakings and undertakings in which the company has a participating interest	-	-
	<u> </u>	<u> </u>

7 Interest payable and similar charges

	2018 £'000	2017 £'000
Loans from group undertakings and undertakings in which the company has a participating interest	-	-
	<u> </u>	<u> </u>

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

8 Taxation

	2018 £'000	2017 £'000
Current tax:		
UK Corporation tax	-	-

UK corporation tax has been charged at 19%.

No deferred taxation has been recorded as it is not considered to be material to the financial statements.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is different to the rate of corporation tax in the UK. The difference is explained below:

	2018 £'000	2017 £'000
(Loss) / profit on ordinary activities before tax	(5,563)	326
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(1,057)	65
Effect of:		
Expenses not deductible for tax purposes	474	48
Losses carried forward not reflected in deferred tax	583	50
Income not chargeable to tax	-	(163)
Total tax charge	-	-

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 *(continued)*

9 Fixed asset investments

	Total £'000
<i>Cost</i>	
At 1 April 2017	21,241
Additions	805
	<hr/>
At 31 March 2018	22,046
	<hr/>
<i>Amounts written off</i>	
At 1 April 2017	21,241
Written off in year	805
	<hr/>
At 31 March 2018	22,046
	<hr/>
<i>Net book value</i>	
At 31 March 2018	-
	<hr/>
At 31 March 2017	-
	<hr/>

During the prior year, the principal trading company of the group was placed into administration, an important trading subsidiary was sold to a third party company and a number of other trading companies were sold to a related party company as follows:

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As at the date of the signing of these financial statements, the group comprises the parent company and a number of overseas companies (that were primarily sales offices for the company that was placed into administration) that are no longer actively trading and are being prepared for cessation once any residual contractual obligations have been met as follows:

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Froude Hofmann Test Technology India (pvt) Limited	(India)
Froude Hofmann Russia	(Russia)
Froude Hofmann (Shanghai) Ltd	(China)

During the year, the company acquired Kinetic Engineering Limited from a related party company. Kinetic Engineering Limited ceased trading following acquisition and the company is being closed down in a controlled manner. As a result, this acquisition has not been disclosed separately.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

9 Fixed asset investments (continued)

The company's investments at the balance sheet date in the share capital of companies include the following:

	Country of incorporation	Nature of business	% holding
Froude Hofmann Russia	Russia	Design of test equipment solutions	90
Froude Hofmann (Shanghai) Ltd	China	Distribution of test equipment solutions	100
Froude Hofmann Industria e Comercio Ltda	Brazil	Distribution of test equipment solutions	100
Froude Hofmann Test Technology India (pvt) Limited	India	Design of test equipment solutions	100

10 Debtors

	2018 £'000	2017 £'000
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	-	-
Other debtors	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	-	-
Amounts owed to group undertakings	-	-
Amounts owed to related party undertakings (note 17)	18,358	11,629
Other taxation and social security	69	75
Accruals and deferred income	766	385
	<hr/>	<hr/>
	19,193	12,089
	<hr/>	<hr/>

The amounts owed to related party undertakings charge interest at 2% over base rate. There is no security held in respect of these liabilities.

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 (*continued*)

12 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Director's loan account	19,552	21,094

The director's loan account comprises £15,949k (2017 - £19,449k) due to the director himself and £3,603k (2017 – £1,645k) due to his wife, a connected person. The repayment date is scheduled for twelve months from the date of approval of the financial statements, and a discretionary interest rate is charged. There is no security held in respect of these liabilities.

13 Contingent liabilities

The company has possible contractual obligations in relation to the cessation of a number of overseas operations, as outlined in note 1. The possible contractual obligation is the subject of the current cessation process and, at the current time, cannot be measured with certainty.

14 Financial instruments

	2018 £'000	2017 £'000
Financial assets		
Financial assets are debt instruments measured at amortised cost	4	6
Financial liabilities		
Financial liabilities measured at amortised cost	38,676	33,108

Financial assets measured at amortised cost comprise cash at bank and in hand, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, amounts owed to related party undertakings, accruals and deferred income and director's loan account.

15 Called up share capital

	2018 £	2017 £
<i>Allotted, issued and fully paid</i>		
1 Ordinary share of £1	1	1

HW Machinery Limited

Notes to the financial statements for the year ended 31 March 2018 (*continued*)

16 Reserves

Called up share capital - represents the nominal value of allotted and fully paid up ordinary share capital.

Profit and loss account - represents cumulative net gains and losses recognised in income.

17 Transactions with related parties

	2018 £'000	2017 £'000
<i>Entities under common control:</i>		
Wintergreen Management Limited	(18,358)	(11,629)
	<u>(18,358)</u>	<u>(11,629)</u>

There are no other related party transactions as required under FRS 102.

18 Ultimate controlling party

The company was under the control of Mr J G Harris throughout the current and previous year. Mr J G Harris is a director and is the majority shareholder.