

Company Registration No. 04143189 (England and Wales)

HALLMARK GROUP PRODUCTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018
PAGES FOR FILING WITH REGISTRAR

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HALLMARK GROUP PRODUCTS LIMITED

COMPANY INFORMATION

Directors	B. L. Sonley P. J. Spencer L. Snell V. Petraityte S. Chapman	(Appointed 12 July 2018)
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Company number	04143189
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Registered office	Valletta House Valletta Street Hedon Road Hull East Yorkshire HU9 5NP
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Auditor	Dutton Moore Aldgate House 1-4 Market Place Hull HU1 1RS
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HALLMARK GROUP PRODUCTS LIMITED

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HALLMARK GROUP PRODUCTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	1,950,701		1,974,958	
Investments	4	3,313,209		3,686,317	
		<u>5,263,910</u>		<u>5,661,275</u>	
Current assets					
Debtors	5	105,200		145,423	
Cash at bank and in hand		11,614		8,660	
		<u>116,814</u>		<u>154,083</u>	
Creditors: amounts falling due within one year	6	(2,527,629)		(2,783,365)	
Net current liabilities		<u>(2,410,815)</u>		<u>(2,629,282)</u>	
Total assets less current liabilities		<u>2,853,095</u>		<u>3,031,993</u>	
Creditors: amounts falling due after more than one year	7	(751,409)		(800,004)	
Provisions for liabilities		<u>(35,603)</u>		<u>(59,302)</u>	
Net assets		<u>2,066,083</u>		<u>2,172,687</u>	
Capital and reserves					
Called up share capital	8	100,000		100,000	
Share premium account		753,000		753,000	
Revaluation reserve	9	1,212,358		1,233,983	
Capital redemption reserve		5,000		5,000	
Profit and loss reserves		(4,275)		80,704	
Total equity		<u>2,066,083</u>		<u>2,172,687</u>	

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

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

HALLMARK GROUP PRODUCTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2018

The financial statements were approved by the board of directors and authorised for issue on 8 February 2019 and are signed on its behalf by:



B. L. Sonley
Director

Company Registration No. 04143189

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Company information

Hallmark Group Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is Valletta House, Valletta Street, Hedon Road, Hull, East Yorkshire, HU9 5NP.

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 the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Tangible fixed assets

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

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

Freehold buildings	Straight line over fifty years
Leasehold properties	Straight line over the life of the lease
Fixtures, fittings & equipment	Between 2 and 8 years
Motor vehicles	Between 4 and 10 years

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.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 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). Recoverable amount is the higher of fair value less costs to sell and value in use.

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

1.6 Cash and cash equivalents

Cash at bank and in hand 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.

1.7 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 companies, 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 at transaction price.

1.8 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.

1.9 Taxation

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

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.10 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.

1.11 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 the profit and loss account 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 income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 Related party transactions

Advantage has been taken under FRS 102 section 33.1A of the exemption available to groups of companies not to disclose transactions and balances involving group entities.

1.13 Group accounts

The company is entitled to the exemption under Section 400 of the Companies Act 2006 from the obligation to prepare group accounts.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2017 - 20).

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 September 2017	1,702,221	607,969	2,310,190
Additions	4,285	69,350	73,635
Disposals	-	(29,934)	(29,934)
At 31 August 2018	1,706,506	647,385	2,353,891
Depreciation and impairment			
At 1 September 2017	28,991	306,241	335,232
Depreciation charged in the year	5,796	79,025	84,821
Eliminated in respect of disposals	-	(16,863)	(16,863)
At 31 August 2018	34,787	368,403	403,190
Carrying amount			
At 31 August 2018	1,671,719	278,982	1,950,701
At 31 August 2017	1,673,230	301,728	1,974,958

Land and buildings with a carrying amount of £1,650,000 were revalued at 10 November 2017 by Garness Jones Limited, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. In the opinion of the directors this valuation is not materially different to the value at the balance sheet date.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	853,373	853,373
Accumulated depreciation	357,608	357,608
Carrying value	495,765	495,765

4 Fixed asset investments

	2018 £	2017 £
Investments	3,313,209	3,686,317

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 September 2017	3,686,317
Disposals	(373,108)
At 31 August 2018	3,313,209
Carrying amount	
At 31 August 2018	3,313,209
At 31 August 2017	3,686,317

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	105,200	145,423

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	113,320	80,000
Trade creditors	31,914	55,151
Amounts owed to group undertakings	2,289,416	2,521,708
Taxation and social security	13,087	22,330
Other creditors	79,892	104,176
	2,527,629	2,783,365

Included in creditors falling due within one year are secured creditors of £171,699 (2017: £163,962).

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans	686,680	700,000
Other creditors	64,729	100,004
	751,409	800,004

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Creditors: amounts falling due after more than one year (Continued)

Included in creditors falling due after more than one year are secured creditors of £751,409 (2017: £800,004).

Creditors which fall due after five years are as follows:	2018 £	2017 £
Payable by instalments	300,000	380,000

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

9 Revaluation reserve

	2018 £	2017 £
At beginning of year	1,233,983	1,075,608
Revaluation surplus arising in the year	-	180,000
Transfer to retained earnings	(21,625)	(21,625)
At end of year	<u>1,212,358</u>	<u>1,233,983</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Douglas Baker FCCA.
The auditor was Dutton Moore.

HALLMARK GROUP PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Financial commitments, guarantees and contingent liabilities

The company has unlimited guarantees in respect of bank borrowings with the following group companies:

Hallmark Group Holdings Limited
Hallmark Panels Limited
Laminated Supplies Limited
Fortrace Limited
Toughened Glass Solutions Limited

In the opinion of the directors the likelihood of the guarantees being called upon is remote.

12 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:

2018	2017
£	£
459,000	260,000

13 Parent company

The company's parent undertaking is Hallmark Group Holdings Limited, a company registered in England and Wales, and whose registered office is Valletta House, Valletta Street, Hedon Road, Hull, East Yorkshire, HU9 5NP. Hallmark Group Holdings Limited is the ultimate parent undertaking of the smallest and largest group which consolidates the financial information of the company.