

**Registration number 4937556**

**Universal Hose Limited**

**Abbreviated accounts**

**for the year ended 31 December 2011**

**WEDNESDAY**



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**05/09/2012**

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**COMPANIES HOUSE**

## **Universal Hose Limited**

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**Universal Hose Limited**  
**Directors' report**  
**for the year ended 31 December 2011**

The directors present their report and the accounts for the year ended 31 December 2011

**Principal activity and review of the business**

The principal activity of the company during the period was that of the assembly and retail of hydraulic hoses, fittings and accessories

**Results and dividends**

The results for the year are set out on page 4

**Financial risk management objectives and policies**

The company seeks to operate within its agreed overdraft facility with the bank. The bank is currently satisfied with the company's financial performance and the directors do not consider that there is a risk of facilities being withdrawn.

**Directors**

The directors who served during the year are as stated below

D M MacBain

P Hand

F Ennis

**Statement of directors' responsibilities**

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 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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.

In so far as the directors are aware

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Foot and Ellis-Smith Ltd have been reappointed as auditor for the ensuing year in accordance with Section 485 of the Companies Act 2006.

**Universal Hose Limited**  
**Directors' report**  
**for the year ended 31 December 2011**

continued

This report was approved by the Board on 15 June 2012 and signed on its behalf by

**D M MacBain**  
**Director**

A handwritten signature in black ink, appearing to read 'D MacBain', written over a large, stylized capital letter 'D'.

**Independent auditors' report to Universal Hose Limited  
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 13 together with the financial statements of Universal Hose Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.



**Stephen Mitchell (senior statutory auditor)  
For and on behalf of Foot and Ellis-Smith Ltd  
Chartered Accountants and  
Statutory Auditors**

**15 June 2012**

**Abacus House  
68a North Street  
Romford  
Essex  
RM1 1DA**

**Universal Hose Limited**

**Abbreviated profit and loss account  
for the year ended 31 December 2011**

		<b>2011</b>	<b>2010</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		7,501,048	6,662,917
<b>Gross profit</b>		3,068,511	2,640,837
Administrative expenses		(2,615,027)	(2,316,896)
<b>Profit on ordinary activities before taxation</b>		453,484	323,941
Tax on profit on ordinary activities	<b>6</b>	(106,081)	(71,621)
<b>Profit for the year</b>	<b>15</b>	347,403	252,320
Retained profit brought forward		874,413	722,093
Reserve Movements		(125,000)	(100,000)
<b>Retained profit carried forward</b>		1,096,816	874,413

The notes on pages 7 to 13 form an integral part of these financial statements.

**Universal Hose Limited**

**Abbreviated balance sheet  
as at 31 December 2011**

		2011		2010	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		21,600		-
Tangible assets	8		374,885		383,916
			<u>396,485</u>		<u>383,916</u>
<b>Current assets</b>					
Stocks	9	497,701		557,543	
Debtors	10	1,582,193		1,376,762	
Cash at bank and in hand		346,781		2,140	
		<u>2,426,675</u>		<u>1,936,445</u>	
<b>Creditors amounts falling due within one year</b>	11	(1,639,043)		(1,361,740)	
<b>Net current assets</b>			<u>787,632</u>		<u>574,705</u>
<b>Total assets less current liabilities</b>			1,184,117		958,621
<b>Provisions for liabilities</b>	12		(41,526)		(38,433)
<b>Net assets</b>			<u>1,142,591</u>		<u>920,188</u>
<b>Capital and reserves</b>					
Called up share capital	14		1,000		1,000
Share premium account	15		44,775		44,775
Profit and loss account	15		1,096,816		874,413
<b>Shareholders' funds</b>			<u>1,142,591</u>		<u>920,188</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The abbreviated accounts were approved by the Board on 15 June 2012 and signed on its behalf by

**D M MacBain**  
Director



**Registration number 4937556**

**The notes on pages 7 to 13 form an integral part of these financial statements.**

# Universal Hose Limited

## Cash flow statement for the year ended 31 December 2011

	2011		2010	
	£	£	£	£
<b>Operating profit</b>	453,484		323,941	
Reconciliation to cash generated from operations				
Depreciation	127,578		103,507	
Decrease in stocks	59,842		(13,907)	
(Increase) in trade debtors	(185,663)		(322,593)	
(Increase) in other debtors	(19,768)		6,440	
Increase in trade creditors	236,334		116,660	
Increase in other creditors	136,830		86,570	
		808,637		300,618
<b>Cash from other sources</b>				
Proceeds from sales of tangible fixed assets	11,572		-	
		11,572		-
<b>Application of cash</b>				
Tax paid	(63,955)		(66,604)	
Dividends paid	(125,000)		(100,000)	
Purchase of intangible fixed assets	(32,400)		-	
Purchase of tangible fixed assets	(119,319)		(150,513)	
		(340,674)		(317,117)
<b>Net increase in cash in the year</b>		479,535		(16,499)
Cash at bank and in hand less overdrafts at beginning of year		(132,953)		(116,454)
<b>Cash at bank and in hand less overdrafts at end of year</b>		346,582		(132,953)
Consisting of				
Cash at bank and in hand		346,781		2,140
Overdrafts		(199)		(135,093)
		346,582		(132,953)



## **Universal Hose Limited**

### **Notes to the abbreviated financial statements for the year ended 31 December 2011**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 3 years

##### **1.4 Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Plant and machinery	-	15% reducing balance basis
Fixtures, fittings and equipment	-	15% reducing balance basis
Motor vehicles	-	25% reducing balance basis

##### **1.5. Stock**

Stock is valued at the lower of cost and net realisable value

##### **1.6. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

# Universal Hose Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2011

continued

### 1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

<b>2. Operating profit</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	10,800	-
Depreciation and other amounts written off tangible assets	110,094	103,507
Loss on disposal of tangible fixed assets	6,684	-
	<u>127,578</u>	<u>103,507</u>
<b>3. Auditors' remuneration</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	2,500	2,000
	<u>2,500</u>	<u>2,000</u>

**Universal Hose Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2011**

continued

**4 Employees**

<b>Number of employees</b>	<b>2011</b>	<b>2010</b>
The average monthly numbers of employees (including the directors) during the year were		

	<u>85</u>	<u>76</u>
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<b>Employment costs</b>	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	2,171,432	1,991,639
Social security costs	222,809	202,399
Pension costs-other operating charge	<u>26,113</u>	<u>5,999</u>
	<u>2,420,354</u>	<u>2,200,037</u>

<b>4.1. Directors' remuneration</b>	<b>2011 £</b>	<b>2010 £</b>
Remuneration and other emoluments	219,195	254,867
Pension contributions	<u>22,529</u>	<u>-</u>
	<u>241,724</u>	<u>254,867</u>

Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	-
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<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	82,558	82,327
Pension contributions	<u>2,529</u>	<u>2,240</u>
	<u>85,087</u>	<u>84,567</u>

**5 Pension costs**

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £26,113 (2010 - £5,999)

**Universal Hose Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2011**

continued

**6. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Current tax</b>		
UK corporation tax	101,410	62,377
Adjustments in respect of previous periods	1,578	65
	<u>102,988</u>	<u>62,442</u>
Total current tax charge	<u>102,988</u>	<u>62,442</u>
 <b>Deferred tax</b>		
Timing differences, origination and reversal	3,093	9,179
Total deferred tax	<u>3,093</u>	<u>9,179</u>
Tax on profit on ordinary activities	<u>106,081</u>	<u>71,621</u>

**7. Intangible fixed assets**

	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2011	25,000	25,000
Additions	32,400	32,400
At 31 December 2011	<u>57,400</u>	<u>57,400</u>
<b>Amortisation</b>		
At 1 January 2011	25,000	25,000
Charge for year	10,800	10,800
At 31 December 2011	<u>35,800</u>	<u>35,800</u>
<b>Net book values</b>		
At 31 December 2011	<u>21,600</u>	<u>21,600</u>

**Universal Hose Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2011**

continued

8. Tangible fixed assets	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2011	97,863	124,136	581,076	803,075
Additions	1,000	4,585	113,734	119,319
Disposals	-	-	(68,552)	(68,552)
At 31 December 2011	<u>98,863</u>	<u>128,721</u>	<u>626,258</u>	<u>853,842</u>
<b>Depreciation</b>				
At 1 January 2011	39,615	54,969	324,575	419,159
On disposals	-	-	(50,296)	(50,296)
Charge for the year	8,886	11,063	90,145	110,094
At 31 December 2011	<u>48,501</u>	<u>66,032</u>	<u>364,424</u>	<u>478,957</u>
<b>Net book values</b>				
At 31 December 2011	<u>50,362</u>	<u>62,689</u>	<u>261,834</u>	<u>374,885</u>
At 31 December 2010	<u>58,248</u>	<u>69,167</u>	<u>256,501</u>	<u>383,916</u>

  

9. Stocks	2011 £	2010 £
Finished goods and goods for resale	<u>497,701</u>	<u>557,543</u>

  

10 Debtors	2011 £	2010 £
Trade debtors	1,515,941	1,330,278
Other debtors	7,152	8,929
Prepayments and accrued income	59,100	37,555
	<u>1,582,193</u>	<u>1,376,762</u>

**Universal Hose Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2011**

continued

<b>11. Creditors: amounts falling due within one year</b>	<b>2011 £</b>	<b>2010 £</b>
Bank overdraft	199	135,093
Trade creditors	1,051,992	815,658
Corporation tax	101,410	62,377
Other taxes and social security costs	217,536	214,547
Directors' accounts	137,225	80,300
Other creditors	104,534	41,928
Accruals and deferred income	26,147	11,837
	<u>1,639,043</u>	<u>1,361,740</u>

The bank overdraft is secured

**12. Provisions for liabilities**

	<b>Deferred taxation (Note 13) £</b>	<b>Total £</b>
At 1 January 2011	38,433	38,433
Movements in the year	3,093	3,093
At 31 December 2011	<u>41,526</u>	<u>41,526</u>

<b>13. Provision for deferred taxation</b>	<b>2011 £</b>	<b>2010 £</b>
Deferred tax charge in profit and loss account	3,093	9,179
Provision at 31 December 2011	<u>3,093</u>	<u>9,179</u>

# Universal Hose Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2011

continued

14. Share capital	2011 £	2010 £
<b>Authorised</b>		
9,000 Ordinary A shares of £1 each	9,000	9,000
1,000 Ordinary B shares of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary A shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Equity Shares</b>		
1,000 Ordinary A shares of £1 each	<u>1,000</u>	<u>1,000</u>

15. Reserves	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2011</b>	44,775	874,413	919,188
Profit for the year		347,403	347,403
Equity Dividends		(125,000)	(125,000)
<b>At 31 December 2011</b>	<u>44,775</u>	<u>1,096,816</u>	<u>1,141,591</u>

### 16. Contingent liabilities

The company has an unlimited inter company guarantee for the short term borrowings of two other companies in which Mr MacBain has a material interest. At the balance sheet date the contingent liability did not exceed £345,207.

### 17. Related party transactions

During the year the following dividends were paid to the directors of the company in respect of ordinary shares: Mr D MacBain - £56,250 (2010 - £45,000), Mr P Hand - £28,125 (2010 - £22,500), Mr F Ennis - £6,250 (2010 - £5,000).

During the year the company had the following transactions at arms length with companies in which Mr D M MacBain, the director, had a financial interest:

Gatwick Hose Services Ltd - the company sold goods amounting to £2,325 to the above company. It also bought goods amounting to £167,805 from the above company. The balance due at the year end was £32,929. It also received rent amounting to £18,000.

A1 Hoses Ltd - the company sold goods amounting to £27,711 to the above company. The balance outstanding at the year end was £331. It also received rent amounting to £6,000.