

6 005  
Company Registration No. 08041856 (England and Wales)

**WILLIAM HACKETT HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



# **WILLIAM HACKETT HOLDINGS LIMITED**

## **COMPANY INFORMATION**

---

**Directors**

Mr T J Burgess  
Mrs E A Burgess  
Mr A Lloyd  
Mrs H E Reynolds  
Mr J A Burgess

**Secretary**

Mr P Davies

**Company number**

08041856

**Registered office**

Oak Drive  
Lionheart Enterprise Park  
Alnwick  
Northumberland  
England  
NE66 2EU

**Auditor**

Baldwins Audit Services  
International House  
20 Hatherton Street  
Walsall  
WS4 2LA

---

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Group statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Company statement of cash flows	13
Notes to the financial statements	14 - 34

---

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The directors present the strategic report for the year ended 31 August 2019.

### **Fair review of the business**

The Directors are satisfied with the increase in turnover of the group for the year and particularly with the growth in overseas markets.

The outlook for 2020 is encouraging despite the difficult current market and economic conditions.

### **Principal risks and uncertainties**

The group monitors costs and revenue on a constant basis to protect the financial stability of the group.

The current market is stable with potential for growth.

The directors believe that they have taken all necessary and reasonable steps to protect the group. Although the group operates and trades outside of the UK, the majority of sales are within the UK and the directors do constantly review exchange rates, so any fluctuations should not have a major impact on the group's performance.

The directors do realise that events outside their control will affect the performance of the group.

### **Key performance indicators**

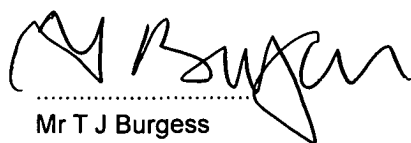
The directors consider that the key financial indicators are turnover, gross profit margin and net profit.

The turnover for the group has increased from £17.27m to £18.76m, an increase of 8.65%

The gross profit for the year is £7.04m giving a margin of 37.56% (2018 - £6.53m giving a margin of 37.80%).

The profit before tax has decreased from £1.91m to £1.85m, an increase of 3.02%.

On behalf of the board



Mr T J Burgess

Director

26/2/20

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The directors present their annual report and financial statements for the year ended 31 August 2019.

### **Principal activities**

The principal activity of the company and group continued to be that of the assembly and sale of chain products.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T J Burgess  
Mrs E A Burgess  
Mr A Lloyd  
Mrs H E Reynolds  
Mr J A Burgess

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £495,492. The directors do not recommend payment of a further dividend.

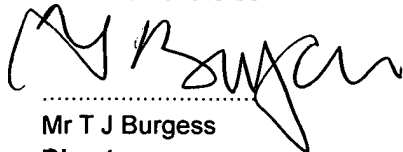
### **Auditor**

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the group will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

  
.....  
Mr T J Burgess  
Director  
26/2/20  
.....

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WILLIAM HACKETT HOLDINGS LIMITED**

---

#### **Opinion**

We have audited the financial statements of William Hackett Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 August 2019 and of the group's profit 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

#### **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.

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WILLIAM HACKETT HOLDINGS LIMITED**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have 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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Baldwins Audit Services*

**Mr S N Southall FCCA**

**for and on behalf of Baldwins Audit Services**

2/3/20

**Senior Statutory Auditor**

International House  
20 Hatherton Street  
Walsall  
WS4 2LA



# **WILLIAM HACKETT HOLDINGS LIMITED**

## **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	18,767,028	17,273,530
Cost of sales		(11,718,284)	(10,742,780)
<b>Gross profit</b>		<u>7,048,744</u>	<u>6,530,750</u>
Distribution costs		(1,712,061)	(1,610,524)
Administrative expenses		(3,367,636)	(2,879,774)
Other operating income		8,214	8,214
<b>Operating profit</b>	<b>4</b>	<u>1,977,261</u>	<u>2,048,666</u>
Interest payable and similar expenses	<b>8</b>	(118,523)	(132,414)
<b>Profit before taxation</b>		<u>1,858,738</u>	<u>1,916,252</u>
Tax on profit	<b>9</b>	(375,169)	(396,123)
<b>Profit for the financial year</b>		<u><u>1,483,569</u></u>	<u><u>1,520,129</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		1,217,743	1,268,344
- Non-controlling interests		265,826	251,785
		<u><u>1,483,569</u></u>	<u><u>1,520,129</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>1,483,569</b>	<b>1,520,129</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>1,483,569</b>	<b>1,520,129</b>
<hr/>		
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	1,217,743	1,268,344
- Non-controlling interests	265,826	251,785
	<hr/>	<hr/>
	<b>1,483,569</b>	<b>1,520,129</b>
	<hr/>	<hr/>

# WILLIAM HACKETT HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	3,285,386		3,016,955	
Investment properties	13	-		800,000	
		<u>3,285,386</u>		<u>3,816,955</u>	
<b>Current assets</b>					
Stocks	17	5,909,150		5,254,988	
Debtors	18	4,285,708		4,017,920	
Cash at bank and in hand		1,926,810		1,134,352	
		<u>12,121,668</u>		<u>10,407,260</u>	
<b>Creditors: amounts falling due within one year</b>	19	(5,254,156)		(4,827,808)	
<b>Net current assets</b>		<u>6,867,512</u>		<u>5,579,452</u>	
<b>Total assets less current liabilities</b>		<u>10,152,898</u>		<u>9,396,407</u>	
<b>Creditors: amounts falling due after more than one year</b>	20	(1,176,954)		(1,385,076)	
<b>Provisions for liabilities</b>	23	(79,254)		(98,599)	
<b>Deferred income</b>	24	(56,133)		(64,347)	
<b>Net assets</b>		<u>8,840,557</u>		<u>7,848,385</u>	
<b>Capital and reserves</b>					
Called up share capital	26	3,916		3,916	
Share premium account		103,572		103,572	
Revaluation reserve		880,056		895,554	
Capital redemption reserve		28,916		28,916	
Profit and loss reserves		7,473,214		6,559,890	
<b>Equity attributable to owners of the parent company</b>		<u>8,489,674</u>		<u>7,591,848</u>	
<b>Non-controlling interests</b>		350,883		256,537	
		<u>8,840,557</u>		<u>7,848,385</u>	

The financial statements were approved by the board of directors and authorised for issue on 26/1/20...  
and are signed on its behalf by:

Mr T J Burgess  
Director

# WILLIAM HACKETT HOLDINGS LIMITED

## COMPANY BALANCE SHEET

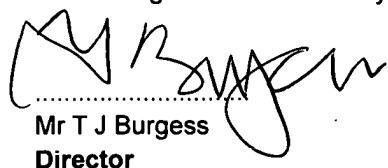
AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	3,023,581		2,729,923	
Investments	14	200		206,598	
		<u>3,023,781</u>		<u>2,936,521</u>	
<b>Current assets</b>					
Debtors	18	2,600,149		3,524,923	
Cash at bank and in hand		1,843,654		1,020,708	
		<u>4,443,803</u>		<u>4,545,631</u>	
<b>Creditors: amounts falling due within one year</b>	19	(253,753)		(387,560)	
<b>Net current assets</b>		<u>4,190,050</u>		<u>4,158,071</u>	
<b>Total assets less current liabilities</b>		<u>7,213,831</u>		<u>7,094,592</u>	
<b>Creditors: amounts falling due after more than one year</b>	20	(1,134,074)		(1,297,000)	
<b>Provisions for liabilities</b>	23	(50,356)		(66,485)	
<b>Net assets</b>		<u>6,029,401</u>		<u>5,731,107</u>	
<b>Capital and reserves</b>					
Called up share capital	26	3,916		3,916	
Revaluation reserve		401,944		401,944	
Profit and loss reserves		5,623,541		5,325,247	
<b>Total equity</b>		<u>6,029,401</u>		<u>5,731,107</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £622,294 (2018 - £536,950 profit).

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 and authorised for issue on 26/1/20 and are signed on its behalf by:

  
Mr T J Burgess  
Director

Company Registration No. 08041856

# WILLIAM HACKETT HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 September 2017</b>		3,916	103,572	924,293	28,916	5,485,807	6,546,504	149,766	6,696,270
<b>Year ended 31 August 2018:</b>									
Profit and total comprehensive income for the year		-	-	-	-	1,268,344	1,268,344	251,785	1,520,129
Dividends	10	-	-	-	-	(223,000)	(223,000)	(145,014)	(368,014)
Transfers		-	-	(28,739)	-	28,739	-	-	-
<b>Balance at 31 August 2018</b>		3,916	103,572	895,554	28,916	6,559,890	7,591,848	256,537	7,848,385
<b>Year ended 31 August 2019:</b>									
Profit and total comprehensive income for the year		-	-	-	-	1,217,743	1,217,743	265,826	1,483,569
Dividends	10	-	-	-	-	(324,012)	(324,012)	(171,480)	(495,492)
Transfers		-	-	(15,498)	-	15,498	-	-	-
Disposal of shares in subsidiary to non-controlling interest		-	-	-	-	1,536	1,536	2,559	4,095
Other movements		-	-	-	-	2,559	2,559	(2,559)	-
<b>Balance at 31 August 2019</b>		3,916	103,572	880,056	28,916	7,473,214	8,489,674	350,883	8,840,557

# WILLIAM HACKETT HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2017</b>		3,916	401,944	5,011,297	5,417,157
<b>Year ended 31 August 2018:</b>					
Profit and total comprehensive income for the year		-	-	536,950	536,950
Dividends	10	-	-	(223,000)	(223,000)
<b>Balance at 31 August 2018</b>		3,916	401,944	5,325,247	5,731,107
<b>Year ended 31 August 2019:</b>					
Profit and total comprehensive income for the year		-	-	622,294	622,294
Dividends	10	-	-	(324,000)	(324,000)
<b>Balance at 31 August 2019</b>		3,916	401,944	5,623,541	6,029,401

# WILLIAM HACKETT HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	1,363,573		1,566,095	
Interest paid		(118,523)		(132,414)	
Income taxes paid		(404,805)		(240,329)	
<b>Net cash inflow from operating activities</b>		<b>840,245</b>		<b>1,193,352</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(499,351)		(86,588)	
Proceeds on disposal of tangible fixed assets		65,550		32,320	
Proceeds on disposal of investment property		800,000		-	
<b>Net cash generated from/(used in) investing activities</b>		<b>366,199</b>		<b>(54,268)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		483,988		-	
Repayment of bank loans		(316,346)		(155,366)	
Payment of finance leases obligations		(86,142)		(54,959)	
Dividends paid to equity shareholders		(324,000)		(223,000)	
Dividends paid to non-controlling interests		(171,480)		(231,406)	
<b>Net cash used in financing activities</b>		<b>(413,980)</b>		<b>(664,731)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>792,464</b>		<b>474,353</b>	
Cash and cash equivalents at beginning of year		1,134,346		659,993	
<b>Cash and cash equivalents at end of year</b>		<b>1,926,810</b>		<b>1,134,346</b>	
<b>Relating to:</b>					
Cash at bank and in hand		1,926,810		1,134,352	
Bank overdrafts included in creditors payable within one year		-		(6)	

# WILLIAM HACKETT HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31	1,203,541		664,303	
Interest paid		(48,244)		(55,175)	
Income taxes paid		(71,308)		(42,189)	
<b>Net cash inflow from operating activities</b>		<b>1,083,989</b>		<b>566,939</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(480,191)		(59,786)	
Proceeds on disposal of tangible fixed assets		63,300		20,500	
Proceeds on disposal of fixed asset investments		4,095		-	
Dividends received		679,008		445,480	
<b>Net cash generated from investing activities</b>		<b>266,212</b>		<b>406,194</b>	
<b>Financing activities</b>					
Repayment of bank loans		(164,080)		(304,080)	
Payment of finance leases obligations		(39,175)		(14,955)	
Dividends paid to equity shareholders		(324,000)		(223,000)	
<b>Net cash used in financing activities</b>		<b>(527,255)</b>		<b>(542,035)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>822,946</b>		<b>431,098</b>	
Cash and cash equivalents at beginning of year		1,020,708		589,610	
<b>Cash and cash equivalents at end of year</b>		<b>1,843,654</b>		<b>1,020,708</b>	



# **WILLIAM HACKETT HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

#### **Company information**

William Hackett Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Oak Drive, Lionheart Enterprise Park, Alnwick, Northumberland, England, NE66 2EU.

The group consists of William Hackett Holdings Limited and all of its subsidiaries.

#### **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.

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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of William Hackett Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 1 Accounting policies

(Continued)

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### 1.6 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:

Land and buildings Freehold	Freehold land is not depreciated. Freehold buildings are depreciated at either 1% or 2% straight line
Land and buildings Leasehold	Leasehold land is not depreciated. Leasehold buildings are depreciated at 1% straight line
Plant and machinery	10% reducing balance and 10%, 20% or 25% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

**(Continued)**

#### **1.8 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### **1.9 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.10 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.11 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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 group after deducting all of its liabilities.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.14 Taxation

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

#### ***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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# **WILLIAM HACKETT HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

**(Continued)**

#### **1.15 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.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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

#### **1.19 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Principal activity	18,767,028	17,273,530
	<u>          </u>	<u>          </u>
	2019 £	2018 £
<b>Other significant revenue</b>		
Grants received	8,214	8,214
	<u>          </u>	<u>          </u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	13,327,655	14,737,585
Europe	1,602,219	378,089
Rest of the World	3,837,154	2,157,856
	<u>          </u>	<u>          </u>
	18,767,028	17,273,530
	<u>          </u>	<u>          </u>

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	109,588	88,033
Government grants	(8,214)	(8,214)
Depreciation of owned tangible fixed assets	126,816	98,540
Depreciation of tangible fixed assets held under finance leases	35,059	51,612
Loss/(profit) on disposal of tangible fixed assets	3,495	(3,500)
Amortisation of intangible assets	-	168,847
Cost of stocks recognised as an expense	10,602,474	9,731,307
Operating lease charges	49,370	47,226
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £109,588 (2018 - £88,033).

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	23,200	22,800
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	-	1,000
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	9	9	5	5
Staff	64	61	2	2
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
	73	70	7	7
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>



# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,821,596	2,254,155	338,994	274,561
Pension costs	172,512	165,016	39,800	47,515
	<u>2,994,108</u>	<u>2,419,171</u>	<u>378,794</u>	<u>322,076</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	798,575	396,403
Company pension contributions to defined contribution schemes	93,184	92,766
	<u>891,759</u>	<u>489,169</u>

The number of Directors for whom retirement benefits have been accruing during the year amounted to 9 (2018 - 7)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	112,891	69,625
Company pension contributions to defined contribution schemes	10,618	20,000
	<u>123,509</u>	<u>89,625</u>

### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	45,762	52,406
Interest on invoice finance arrangements	64,912	71,872
	<u>110,674</u>	<u>124,278</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	7,849	8,136
Total finance costs	<u>118,523</u>	<u>132,414</u>

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	394,514	404,915
<b>Deferred tax</b>		
Origination and reversal of timing differences	(19,345)	(8,792)
<b>Total tax charge</b>	<b>375,169</b>	<b>396,123</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,858,738	1,916,252
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	353,160	364,088
Tax effect of expenses that are not deductible in determining taxable profit	19,246	2,575
Tax effect of income not taxable in determining taxable profit	(1,561)	(1,561)
Depreciation on assets not qualifying for tax allowances	3,230	3,231
Amortisation on assets not qualifying for tax allowances	-	29,611
Other permanent differences	1,094	-
Deferred tax adjustments in respect of prior years	-	(1,821)
<b>Taxation charge</b>	<b>375,169</b>	<b>396,123</b>

### 10 Dividends

	2019 £	2018 £
Interim paid	324,000	223,000

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### 11 Intangible fixed assets

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	876,895
	<hr/>
<b>Amortisation and impairment</b>	
At 1 September 2018 and 31 August 2019	876,895
	<hr/>
<b>Carrying amount</b>	
At 31 August 2019	-
	<hr/>
At 31 August 2018	-
	<hr/>
<b>Company</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	97,660
	<hr/>
<b>Amortisation and impairment</b>	
At 1 September 2018 and 31 August 2019	97,660
	<hr/>
<b>Carrying amount</b>	
At 31 August 2019	-
	<hr/>
At 31 August 2018	-
	<hr/>

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 Tangible fixed assets

Group	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 September 2018	1,024,150	1,300,000	1,641,694	4,410	221,404	4,191,658
Additions	88,530	307,075	10,638	3,165	89,943	499,351
Disposals	-	-	-	-	(104,010)	(104,010)
At 31 August 2019	1,112,680	1,607,075	1,652,332	7,575	207,337	4,586,999
<b>Depreciation and impairment</b>						
At 1 September 2018	20,000	14,008	1,081,019	1,322	58,354	1,174,703
Depreciation charged in the year	10,000	7,004	115,941	1,136	27,794	161,875
Eliminated in respect of disposals	-	-	-	-	(34,965)	(34,965)
At 31 August 2019	30,000	21,012	1,196,960	2,458	51,183	1,301,613
<b>Carrying amount</b>						
At 31 August 2019	1,082,680	1,586,063	455,372	5,117	156,154	3,285,386
At 31 August 2018	1,004,150	1,285,992	560,675	3,088	163,050	3,016,955

Company	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 September 2018	1,024,150	1,300,000	729,136	132,118	3,185,404
Additions	88,530	307,075	10,638	73,948	480,191
Disposals	-	-	-	(100,662)	(100,662)
At 31 August 2019	1,112,680	1,607,075	739,774	105,404	3,564,933
<b>Depreciation and impairment</b>					
At 1 September 2018	20,000	14,008	387,130	34,343	455,481
Depreciation charged in the year	10,000	7,004	88,202	13,698	118,904
Eliminated in respect of disposals	-	-	-	(33,033)	(33,033)
At 31 August 2019	30,000	21,012	475,332	15,008	541,352
<b>Carrying amount</b>					
At 31 August 2019	1,082,680	1,586,063	264,442	90,396	3,023,581
At 31 August 2018	1,004,150	1,285,992	342,006	97,775	2,729,923

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and machinery	181,888	208,504	-	-
Motor vehicles	34,136	110,208	-	67,629
	<u>216,024</u>	<u>318,712</u>	<u>-</u>	<u>67,629</u>
Depreciation charge for the year in respect of leased assets	35,059	51,612	-	22,548

All land and buildings were revalued during 2016 by independent valuers not connected with the company on the basis of market value. The Directors consider the valuations to be appropriate for the current year based on reference to recent market transactions on arm's length terms for similar properties.

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:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	1,880,344	1,484,739	-	-
Accumulated depreciation	91,657	90,151	-	-
Carrying value	<u>1,788,687</u>	<u>1,394,588</u>	<u>-</u>	<u>-</u>

The revaluation surplus is disclosed separately in the capital and reserves on the balance sheet.

#### 13 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 September 2018 and 31 August 2019	800,000	-
Disposals	(800,000)	-
At 31 August 2019	<u>-</u>	<u>-</u>

The investment property was sold on 13th November 2018.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	200	206,598

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 September 2018 and 31 August 2019	206,598
<b>Impairment</b>	
At 1 September 2018	-
Impairment losses	206,398
At 31 August 2019	206,398
<b>Carrying amount</b>	
At 31 August 2019	200
At 31 August 2018	206,598

The Directors carried out an impairment review of the non-trading subsidiary companies following the sale of the investment property held in Bradney Holdings Limited which has resulted in the impairment loss of £206,398 being written off to the profit and loss account.

During the year, the company also disposed of 0.3% of its shareholding in William Hackett Chain Products Limited to non-controlling interests.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bradney Chain and Engineering Company Limited	England & Wales	Non-trading	Ordinary	-	100.00
Bradney Holdings Limited	England & Wales	Holding company	Ordinary	100.00	
William Hackett Chain Products Limited	England & Wales	Manufacturer of chain	Ordinary	87.00	
William Hackett Chains Limited	England & Wales	Non-trading	Ordinary B	100.00	
William Hackett Lifting Products Limited	England & Wales	Manufacturer of chain	Ordinary	88.00	

### 16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	4,204,068	4,998,523	2,569,238	4,519,692
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	5,843,572	5,685,635	1,296,896	1,560,614

### 17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	5,909,150	5,254,988	-	-

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	4,171,408	3,843,508	-	-
Corporation tax recoverable	-	108	-	-
Amounts owed by group undertakings	-	-	935,238	1,495,223
Other debtors	39,222	56,355	6,000	-
Prepayments and accrued income	75,078	117,949	30,911	25,939
	<u>4,285,708</u>	<u>4,017,920</u>	<u>972,149</u>	<u>1,521,162</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	1,628,000	2,003,761
	<u>-</u>	<u>-</u>	<u>1,628,000</u>	<u>2,003,761</u>
<b>Total debtors</b>	<u>4,285,708</u>	<u>4,017,920</u>	<u>2,600,149</u>	<u>3,524,923</u>

### 19 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	21	2,117,943	1,814,227	136,080	164,080
Obligations under finance leases	22	46,033	60,133	-	12,329
Trade creditors		2,138,873	2,078,102	9,544	4,440
Amounts owed to group undertakings		-	-	-	57,765
Corporation tax payable		394,514	404,915	50,607	71,310
Other taxation and social security		193,024	122,334	40,324	52,636
Other creditors		205,868	165,103	-	-
Accruals and deferred income		157,901	182,994	17,198	25,000
		<u>5,254,156</u>	<u>4,827,808</u>	<u>253,753</u>	<u>387,560</u>

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	21	1,134,074	1,270,154	1,134,074	1,270,154
Obligations under finance leases	22	42,880	114,922	-	26,846
		<u>1,176,954</u>	<u>1,385,076</u>	<u>1,134,074</u>	<u>1,297,000</u>



# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	3,252,017	3,084,375	1,270,154	1,434,234
Bank overdrafts	-	6	-	-
	<u>3,252,017</u>	<u>3,084,381</u>	<u>1,270,154</u>	<u>1,434,234</u>
Payable within one year	2,117,943	1,814,227	136,080	164,080
Payable after one year	<u>1,134,074</u>	<u>1,270,154</u>	<u>1,134,074</u>	<u>1,270,154</u>

#### Group

Included in bank loans and overdrafts are advances from factors totalling £1,981,863 (2018 - £1,650,141) which are secured over the trade debtors of the group and a debenture over the assets of the group.

#### Group and Company

The total bank loans of £1,270,154 (2018 - £1,434,234) are secured by:

- i) a debenture over all assets of the company,
- ii) a legal charge over the secondary works at Maypole Fields, Cradley, Halesowen, B63 2QE,
- iii) a legal charge over the land on the south east side of Maypole Fields,
- iv) a legal charge over Plot 8 Lionheart Industrial Estate, Alnwick, Northumberland, NE66 2HT,
- v) a fixed and floating charge over the assets of the subsidiary company William Hackett Chains Limited.

The legal charges held over the land and buildings at Maypole Fields, Cradley were released following the sale subsequent to the balance sheet date (see note 27).

### 22 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	51,036	66,009	-	12,839
In two to five years	49,140	130,023	-	29,845
	<u>100,176</u>	<u>196,032</u>	<u>-</u>	<u>42,684</u>
Less: future finance charges	<u>(11,263)</u>	<u>(20,977)</u>	<u>-</u>	<u>(3,509)</u>
	<u>88,913</u>	<u>175,055</u>	<u>-</u>	<u>39,175</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	79,254	98,599
	<u>79,254</u>	<u>98,599</u>
	Liabilities 2019 £	Liabilities 2018 £
<b>Company</b>		
Accelerated capital allowances	50,356	66,485
	<u>50,356</u>	<u>66,485</u>
	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 September 2018	98,599	66,485
Credit to profit or loss	(19,345)	(16,129)
	<u>79,254</u>	<u>50,356</u>
Liability at 31 August 2019	<u>79,254</u>	<u>50,356</u>

#### Group

The deferred tax liability set out above relates to accelerated capital allowances and is expected to reverse within future accounting periods. £18,594 is expected to reverse within 12 months.

#### Company

The deferred tax liability set out above relates to accelerated capital allowances and is expected to reverse within future accounting periods. £9,007 is expected to reverse within 12 months.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 24 Government grants

	Group 2019 £	2018 £	Company 2019 £	2018 £
Government grants	64,347	72,561	-	-
Amortised in year	(8,214)	(8,214)	-	-
	<u>56,133</u>	<u>64,347</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

Shown as deferred income on the face of the balance sheet	56,133	64,347	-	-
	<u>56,133</u>	<u>64,347</u>	<u>-</u>	<u>-</u>

A grant totalling £82,144 was received for the purchase of plant and equipment. The grant is amortised over 10 years, in line with the depreciation policy of the plant and equipment.

### 25 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>172,512</u>	<u>165,016</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 26 Share capital

	Group and company	
	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
392 Ordinary A shares of £1 each	392	392
3,132 Ordinary B shares of £1 each	3,132	3,132
392 Ordinary C shares of £1 each	392	392
	<u>3,916</u>	<u>3,916</u>

All 3 classes of Ordinary shares rank pari passu. They all carry no right to fixed income but shall be entitled to dividends declared from time to time on a discretionary basis.

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 27 Events after the reporting date

On 20th January 2020, the freehold land and buildings owned by the company were sold to an independent third party at a market valuation in excess of the carrying value at the year end. The sale relates to the trading premises of William Hackett Chain Products Ltd. The existing lease agreement has been assigned to the new owners under the same terms which expires on 31st August 2040.

### 28 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	871,216	517,556

### 29 Controlling party

The controlling party is the Director Mr T J Burgess by virtue of his shareholding in the company.

### 30 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	1,483,569	1,520,129
<b>Adjustments for:</b>		
Taxation charged	375,169	396,123
Finance costs	118,523	132,414
Loss/(gain) on disposal of tangible fixed assets	3,495	(3,500)
Amortisation and impairment of intangible assets	-	168,847
Depreciation and impairment of tangible fixed assets	161,875	150,152
Decrease in deferred income	(8,214)	(8,214)
<b>Movements in working capital:</b>		
Increase in stocks	(654,162)	(769,026)
Increase in debtors	(267,898)	(181,977)
Increase in creditors	151,216	161,147
<b>Cash generated from operations</b>	<b>1,363,573</b>	<b>1,566,095</b>

# WILLIAM HACKETT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### 31 Cash generated from operations - company

	2019 £	2018 £
Profit for the year after tax	622,294	536,950
<b>Adjustments for:</b>		
Taxation charged	34,478	58,275
Finance costs	48,244	55,175
Investment income	(679,008)	(445,480)
Loss on disposal of tangible fixed assets	4,329	-
Amortisation and impairment of intangible assets	-	13,000
Depreciation and impairment of tangible fixed assets	118,904	116,047
Gain on sale of investments	(4,095)	-
Amounts written off investments	139,207	143,756
<b>Movements in working capital:</b>		
Decrease in debtors	924,774	259,728
Decrease in creditors	(5,586)	(73,148)
<b>Cash generated from operations</b>	<u>1,203,541</u>	<u>664,303</u>