

Company registration number 08041856 (England and Wales)

WILLIAM HACKETT HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

WILLIAM HACKETT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr T J Burgess Mrs E A Burgess Mr A Lloyd Ms H E Reynolds Mr J A Burgess
Secretary	Mr P Davies
Company number	08041856
Registered office	Oak Drive Lionheart Enterprise Park Alnwick Northumberland NE66 2EU
Auditor	Bache Brown & Co Limited Swinford House Albion Street Brierley Hill West Midlands DY5 3EE

WILLIAM HACKETT HOLDINGS LIMITED

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WILLIAM HACKETT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present the strategic report for the year ended 31 August 2022.

Fair review of the business

The Directors are satisfied with the results of the group for the year taking into account the ongoing effects of the Coronavirus pandemic on the economy since March 2020.

The outlook for 2022 is encouraging despite the difficult current market and economic conditions

Principal risks and uncertainties

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

The Directors believes that they have taken all necessary and reasonable steps to protect the company. Although the company 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 company's performance.

The Director does realise that events outside their control will affect the performance of the company.

Key performance indicators

The Directors considers that the key financial indicators are turnover, gross profit margin and net profit.

The turnover of the group has decreased from £17.35m to £16.28m, an decrease of 6.2%.

However, this decrease is due the disposal of the controlling interest of one of its subsidiaries during last year.

Continuing operations increased from £13.10m to £16.28m, an increase of 19.50%.

Total gross profit for the year was £6.17m giving a margin of 37.91% (2021 - £6.58m giving a margin of 37.91%).

Gross profit for continuing operations last year was £4.71m giving a margin of 35.95%.

The profit before tax has increased from £2.03m to £2.60m, an increase of 27.65%.

On behalf of the board

Mr T J Burgess

Director

23 May 2023

WILLIAM HACKETT HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the year ended 31 August 2022.

Principal activities

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

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £750,000. The directors do not recommend payment of a further dividend.

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
Ms H E Reynolds
Mr J A Burgess

Auditor

Bache Brown & Co Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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.

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.

WILLIAM HACKETT HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the board

Mr T J Burgess
Director

23 May 2023

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 2022 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2022 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 group and parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

WILLIAM HACKETT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WILLIAM HACKETT HOLDINGS LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Approach to assessing the risks of misstatement due to irregularities, including fraud

We assess the risk of material misstatement in respect of fraud by meeting with management to understand where it considered there was susceptibility to fraud.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant reporting frameworks which are likely to affect the company include FRS102 the Companies Act 2006 and the relevant tax laws. In addition we determined that there were no significant laws and regulations which have a direct effect on the amounts and disclosures in the financial statements.

Audit response to risks identified

We considered the risk of fraud through management override on controls. We also considered how management bias may impact upon performance targets.

In response we performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business, reviewing accounting estimates for management bias.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries with management around actual and potential claims. Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

WILLIAM HACKETT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WILLIAM HACKETT HOLDINGS LIMITED

Ian Richard Baker (Senior Statutory Auditor)
For and on behalf of Bache Brown & Co Limited

23 May 2023

Chartered Accountants
Statutory Auditor

Swinford House
Albion Street
Brierley Hill
West Midlands
DY5 3EE

WILLIAM HACKETT HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Continuing operations £	Discontinued operations £	31 August 2022 £	Continuing operations £	Discontinued operations £	31 August 2021 £
Turnover	3	16,275,871	-	16,275,871	13,102,493	4,245,809	17,348,302
Cost of sales		(10,106,181)	-	(10,106,181)	(8,392,008)	(2,380,320)	(10,772,328)
Gross profit		6,169,690	-	6,169,690	4,710,485	1,865,489	6,575,974
Distribution costs		(1,597,513)	-	(1,597,513)	(954,161)	(466,079)	(1,420,240)
Administrative expenses		(2,702,765)	-	(2,702,765)	(2,301,712)	(870,241)	(3,171,953)
Other operating income		-	-	-	122,774	38,676	161,450
Exceptional item	4	593,335	-	593,335	-	-	-
Operating profit	5	2,462,747	-	2,462,747	1,577,386	567,845	2,145,231
Share of results of associates and joint ventures		162,065	-	162,065	57,345	-	57,345
Interest receivable and similar income	9	42,872	-	42,872	58,974	-	58,974
Interest payable and similar expenses	10	(70,982)	-	(70,982)	(119,921)	(2,883)	(122,814)
Amounts written off investments	11	-	-	-	-	(104,501)	(104,501)
Profit before taxation		2,596,702	-	2,596,702	1,573,784	460,451	2,034,235
Tax on profit	12	(450,012)	-	(450,012)	(287,448)	(110,031)	(397,479)
Profit for the financial year		2,146,690	-	2,146,690	1,286,336	350,420	1,636,756
Profit for the financial year is attributable to:							
- Owners of the parent company				1,974,367			1,372,985
- Non-controlling interests				172,323			263,771
				2,146,690			1,636,756

WILLIAM HACKETT HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Profit for the year	2,146,690	1,636,756
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,146,690</u>	<u>1,636,756</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	1,974,367	1,372,985
- Non-controlling interests	<u>172,323</u>	<u>263,771</u>
	<u>2,146,690</u>	<u>1,636,756</u>

WILLIAM HACKETT HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		464,670		3,052,883
Investments	17		250,903		88,838
			<u>715,573</u>		<u>3,141,721</u>
Current assets					
Stocks	20	4,736,164		4,021,549	
Debtors	21	6,056,050		4,962,083	
Cash at bank and in hand		4,199,593		3,175,155	
		<u>14,991,807</u>		<u>12,158,787</u>	
Creditors: amounts falling due within one year	22	<u>(3,249,146)</u>		<u>(3,068,992)</u>	
Net current assets			<u>11,742,661</u>		<u>9,089,795</u>
Total assets less current liabilities			<u>12,458,234</u>		<u>12,231,516</u>
Creditors: amounts falling due after more than one year	23		-		(1,190,715)
Provisions for liabilities					
Deferred tax liability	26	80,077		59,334	
		<u>(80,077)</u>		<u>(59,334)</u>	
Net assets			<u>12,378,157</u>		<u>10,981,467</u>
Capital and reserves					
Called up share capital	28		3,916		3,916
Revaluation reserve			-		306,320
Profit and loss reserves			<u>11,828,960</u>		<u>10,298,273</u>
Equity attributable to owners of the parent company			<u>11,832,876</u>		<u>10,608,509</u>
Non-controlling interests			<u>545,281</u>		<u>372,958</u>
			<u>12,378,157</u>		<u>10,981,467</u>

The financial statements were approved by the board of directors and authorised for issue on 23 May 2023 and are signed on its behalf by:

Mr T J Burgess
Director

Company registration number 08041856 (England and Wales)

WILLIAM HACKETT HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	16		307,304		2,941,928
Investments	17		106		106
			<u>307,410</u>		<u>2,942,034</u>
Current assets					
Debtors	21	3,411,265		3,315,428	
Cash at bank and in hand		<u>4,135,181</u>		<u>3,030,267</u>	
		7,546,446		6,345,695	
Creditors: amounts falling due within one year	22	<u>(200,768)</u>		<u>(255,131)</u>	
Net current assets			<u>7,345,678</u>		<u>6,090,564</u>
Total assets less current liabilities			<u>7,653,088</u>		<u>9,032,598</u>
Creditors: amounts falling due after more than one year	23		-		(1,190,715)
Provisions for liabilities					
Deferred tax liability	26	<u>51,165</u>	<u>(51,165)</u>	<u>44,428</u>	<u>(44,428)</u>
Net assets			<u><u>7,601,923</u></u>		<u><u>7,797,455</u></u>
Capital and reserves					
Called up share capital	28		3,916		3,916
Revaluation reserve			-		391,944
Profit and loss reserves			<u>7,598,007</u>		<u>7,401,595</u>
Total equity			<u><u>7,601,923</u></u>		<u><u>7,797,455</u></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 £554,468 (2021 - £2,079,035 profit).

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.

WILLIAM HACKETT HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The financial statements were approved by the board of directors and authorised for issue on 23 May 2023 and are signed on its behalf by:

Mr T J Burgess
Director

Company registration number 08041856 (England and Wales)

WILLIAM HACKETT HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2022

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total non-controlling interest	controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£	£	£	£
Balance at 1 September 2020	3,916	103,572	311,818	28,916	9,537,302	9,985,524	489,702	10,475,226	
Year ended 31 August 2021:									
Profit and total comprehensive income for the year	-	-	-	-	1,372,985	1,372,985	263,771	1,636,756	
Dividends	-	-	-	-	(750,000)	(750,000)	(131,638)	(881,638)	
Transfers	-	-	(5,498)	-	5,498	-	-	-	
Other movements	-	(103,572)	-	(28,916)	132,488	-	(248,877)	(248,877)	
Balance at 31 August 2021	3,916	-	306,320	-	10,298,273	10,608,509	372,958	10,981,467	
Year ended 31 August 2022:									
Profit and total comprehensive income for the year	-	-	-	-	1,974,367	1,974,367	172,323	2,146,690	
Dividends	-	-	-	-	(750,000)	(750,000)	-	(750,000)	
Transfers	-	-	(306,320)	-	306,320	-	-	-	
Balance at 31 August 2022	3,916	-	-	-	11,828,960	11,832,876	545,281	12,378,157	

WILLIAM HACKETT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2022

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 September 2020		3,916	391,944	6,072,560	6,468,420
Year ended 31 August 2021:					
Profit and total comprehensive income for the year		-	-	2,079,035	2,079,035
Dividends	14	-	-	(750,000)	(750,000)
Balance at 31 August 2021		3,916	391,944	7,401,595	7,797,455
Year ended 31 August 2022:					
Profit and total comprehensive income for the year		-	-	554,468	554,468
Dividends	14	-	-	(750,000)	(750,000)
Transfers		-	(391,944)	391,944	-
Balance at 31 August 2022		3,916	-	7,598,007	7,601,923

WILLIAM HACKETT HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	62,235	812,799
Interest paid		(70,982)	(122,814)
Income taxes paid		(271,832)	(393,491)
Net cash (outflow)/inflow from operating activities		(280,579)	296,494
Investing activities			
Purchase of tangible fixed assets		(179,394)	(646,412)
Proceeds on disposal of tangible fixed assets		3,271,667	-
Proceeds on disposal of investments		-	1,508,034
Receipts arising from loans made		-	(1,375,000)
Interest received		42,872	58,974
Net cash generated from/(used in) investing activities		3,135,145	(454,404)
Financing activities			
Proceeds of new bank loans		-	1,320,000
Repayment of bank loans		(1,073,166)	(841,676)
Payment of finance leases obligations		(6,962)	(6,962)
Dividends paid to equity shareholders		(750,000)	(750,000)
Dividends paid to non-controlling interests		-	(131,638)
Net cash used in financing activities		(1,830,128)	(410,276)
Net increase/(decrease) in cash and cash equivalents		1,024,438	(568,186)
Cash and cash equivalents at beginning of year		3,175,155	3,743,341
Cash and cash equivalents at end of year		4,199,593	3,175,155

WILLIAM HACKETT HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	33	(118,147)	(1,134,979)
Interest paid		(3)	(37,617)
Income taxes paid		(20,082)	(81,129)
Net cash outflow from operating activities		(138,232)	(1,253,725)
Investing activities			
Purchase of tangible fixed assets		(84,406)	(572,770)
Proceeds on disposal of tangible fixed assets		3,266,667	-
Proceeds on disposal of investments		-	1,508,034
Interest received		92,860	58,974
Dividends received		-	491,862
Net cash generated from investing activities		3,275,121	1,486,100
Financing activities			
Proceeds of new bank loans		-	1,320,000
Repayment of bank loans		(1,281,975)	(1,172,099)
Dividends paid to equity shareholders		(750,000)	(750,000)
Net cash used in financing activities		(2,031,975)	(602,099)
Net increase/(decrease) in cash and cash equivalents		1,104,914	(369,724)
Cash and cash equivalents at beginning of year		3,030,267	3,399,991
Cash and cash equivalents at end of year		4,135,181	3,030,267

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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, 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 Business combinations

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.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company William Hackett Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 August 2022. 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.6 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:

Freehold land and buildings	Freehold land not depreciated. Freehold buildings 1% or 2% straight line
Leasehold land and buildings	Leasehold land not depreciated. Leasehold buildings 1% straight line
Plant and equipment	10% reducing balance and 10%, 20% or 25% straight line
Fixtures and fittings	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 Fixed asset investments

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.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.8 Impairment of fixed assets

At each reporting period end date, the group 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). 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.

1.9 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.10 Cash and cash equivalents

Cash and cash equivalents 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.

1.11 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.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

Basic financial liabilities

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.

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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 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.

1.13 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.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.14 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.

1.15 Retirement benefits

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

1.16 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.

1.17 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.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.18 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 in the period are included in profit or loss.

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

	2022	2021
	£	£
Turnover analysed by class of business		
Principal activity	16,275,871	17,348,302
	<u>16,275,871</u>	<u>17,348,302</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	9,797,790	11,062,830
Europe	2,486,004	2,607,686
Rest of the World	3,992,077	3,677,786
	<u>16,275,871</u>	<u>17,348,302</u>
	2022	2021
	£	£
Other revenue		
Interest income	42,872	58,974
Grants received	-	161,450
	<u>42,872</u>	<u>220,424</u>

4 Exceptional item

	2022	2021
	£	£
Other operating income		
Profit on disposal of land and buildings	593,335	-
	<u>593,335</u>	<u>-</u>

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	59,858
Government grants	-	(161,450)
Depreciation of owned tangible fixed assets	90,425	99,086
Depreciation of tangible fixed assets held under finance leases	-	5,364
(Profit)/loss on disposal of tangible fixed assets	(1,150)	4,632
Operating lease charges	28,904	45,820
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,875	17,250
	<u> </u>	<u> </u>

7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	7	7	5	5
Staff	38	35	2	2
Total	<u>45</u>	<u>42</u>	<u>7</u>	<u>7</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,902,207	2,653,863	208,378	278,915
Pension costs	112,802	163,691	13,170	29,726
	<u>2,015,009</u>	<u>2,817,554</u>	<u>221,548</u>	<u>308,641</u>

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	291,451	341,160
Company pension contributions to defined contribution schemes	21,175	33,905
	<u>312,626</u>	<u>375,065</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 5).

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

	2022 £	2021 £
Remuneration for qualifying services	88,786	88,061
Company pension contributions to defined contribution schemes	8,337	6,063
	<u>97,123</u>	<u>94,124</u>

9 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	42,872	58,974
	<u>42,872</u>	<u>58,974</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	42,872	58,974
	<u>42,872</u>	<u>58,974</u>

10 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	37,448
Interest on invoice finance arrangements	62,591	41,009
Other interest on financial liabilities	-	43,350
	<u>62,591</u>	<u>121,807</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	838	838
Other interest	7,553	169
	<u>8,391</u>	<u>1,007</u>
Total finance costs	<u>70,982</u>	<u>122,814</u>

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Amounts written off investments

	2022	2021
	£	£
Gain on disposal of investments held at fair value	-	263,273
Impairment on investment in associates	-	(367,774)
	-	(104,501)

12 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	445,858	389,412
Adjustments in respect of prior periods	(16,589)	-
Total current tax	429,269	389,412
Deferred tax		
Origination and reversal of timing differences	20,743	8,067
Total tax charge	450,012	397,479

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:

	2022	2021
	£	£
Profit before taxation	2,596,702	2,034,235
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	493,373	386,505
Tax effect of expenses that are not deductible in determining taxable profit	9,932	21,410
Tax effect of income not taxable in determining taxable profit	(30,792)	(1,029)
Gains not taxable	(20,853)	-
Permanent capital allowances in excess of depreciation	(4,826)	-
Depreciation on assets not qualifying for tax allowances	548	-
Other non-reversing timing differences	-	(1,878)
Under/(over) provided in prior years	(16,589)	-
Deferred tax not provided	-	(7,529)
Deferred tax provided at 25%	19,219	-
Taxation charge	450,012	397,479

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Discontinued operations

On 19 April 2021 the group disposed of 62% of its shareholding in William Hackett Chain Products Limited.

A gain of £263,273 arose on the disposal, being the proceeds of the sale less the carrying amount of the business assets at the date of sale.

14 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	750,000	750,000

15 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Investments in associates	17	-	367,774
Recognised in:			
Amounts written off investments		-	367,774

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2021	1,070,040	1,607,075	1,108,399	86,417	165,219	4,037,150
Additions	14,570	-	6,336	78,321	80,167	179,394
Disposals	(1,084,610)	(1,607,075)	-	-	(51,453)	(2,743,138)
At 31 August 2022	-	-	1,114,735	164,738	193,933	1,473,406
Depreciation and impairment						
At 1 September 2021	-	35,020	857,139	16,603	75,505	984,267
Depreciation charged in the year	-	-	32,211	35,621	22,593	90,425
Eliminated in respect of disposals	-	(35,020)	-	-	(30,936)	(65,956)
At 31 August 2022	-	-	889,350	52,224	67,162	1,008,736
Carrying amount						
At 31 August 2022	-	-	225,385	112,514	126,771	464,670
At 31 August 2021	1,070,040	1,572,055	251,260	69,814	89,714	3,052,883

Company	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2021	1,070,040	1,607,075	473,302	71,476	3,221,893
Additions	14,570	-	6,336	63,500	84,406
Disposals	(1,084,610)	(1,607,075)	-	(31,456)	(2,723,141)
At 31 August 2022	-	-	479,638	103,520	583,158
Depreciation and impairment					
At 1 September 2021	-	35,020	222,042	22,903	279,965
Depreciation charged in the year	-	-	32,211	13,196	45,407
Eliminated in respect of disposals	-	(35,020)	-	(14,498)	(49,518)
At 31 August 2022	-	-	254,253	21,601	275,854
Carrying amount					
At 31 August 2022	-	-	225,385	81,919	307,304
At 31 August 2021	1,070,040	1,572,055	251,260	48,573	2,941,928

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 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 2022 £	2021 £	Company 2022 £	2021 £
Plant and equipment	-	16,112	-	-

17 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	18	-	-	100	100
Investments in associates	19	250,903	88,838	6	6
		250,903	88,838	106	106

Movements in fixed asset investments

Group

Shares in associates £

Cost or valuation

At 1 September 2021	88,838
Valuation changes	162,065

At 31 August 2022	250,903
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Carrying amount

At 31 August 2022	250,903
At 31 August 2021	88,838

Movements in fixed asset investments

Company

Shares in subsidiaries and associates £

Cost or valuation

At 1 September 2021 and 31 August 2022	106
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Carrying amount

At 31 August 2022	106
At 31 August 2021	106

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Subsidiaries

Details of the company's subsidiaries at 31 August 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
William Hackett Lifting Products Limited	England & Wales	Ordinary	88.00

19 Associates

Details of associates at 31 August 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
William Hackett Chain Products Limited	England & Wales	Ordinary	25

20 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	4,736,164	4,021,549	-	-

21 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	4,258,472	3,169,858	-	-
Amounts owed by group undertakings	-	-	299,889	716,832
Amounts owed by undertakings in which the company has a participating interest	375,000	449,923	375,000	449,923
Other debtors	17,957	27,428	-	-
Prepayments and accrued income	94,621	89,874	31,376	28,673
	4,746,050	3,737,083	706,265	1,195,428

Amounts falling due after more than one year:

Amounts owed by group undertakings	-	-	1,395,000	895,000
Amounts owed by undertakings in which the company has a participating interest	1,310,000	1,225,000	1,310,000	1,225,000
	1,310,000	1,225,000	2,705,000	2,120,000

Total debtors	6,056,050	4,962,083	3,411,265	3,315,428
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WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	24	1,848,686	1,731,137	-	91,260
Obligations under finance leases	25	-	6,962	-	-
Trade creditors		620,508	669,421	9,610	65,486
Corporation tax payable		428,206	270,769	116,620	11,470
Other taxation and social security		277,816	84,190	37,322	36,884
Other creditors		19,845	148,609	557	531
Accruals and deferred income		54,085	157,904	36,659	49,500
		<u>3,249,146</u>	<u>3,068,992</u>	<u>200,768</u>	<u>255,131</u>

23 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	24	-	1,190,715	-	1,190,715
		<u>-</u>	<u>1,190,715</u>	<u>-</u>	<u>1,190,715</u>

24 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	1,848,686	2,921,852	-	1,281,975
	<u>1,848,686</u>	<u>2,921,852</u>	<u>-</u>	<u>1,281,975</u>
Payable within one year	1,848,686	1,731,137	-	91,260
Payable after one year	-	1,190,715	-	1,190,715
	<u>1,848,686</u>	<u>2,921,852</u>	<u>-</u>	<u>1,281,975</u>

Group

Included in bank loans are advances from factors totalling £1,848,686 (2021 - £1,639,877) 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 £nil (2021 - £1,281,975) are secured by:

- a debenture over all assets of the company,
- a legal charge over Plot 8 Lionheart Industrial Estate, Alnwick, Northumberland, NE66 2HT,
- a legal charge over Plot 6 Lionheart Industrial Estate, Alnwick, Northumberland, NE66 2HT,
- a debenture over all assets of the subsidiary William Hackett Lifting Products Limited.

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	-	7,800	-	-
Less: future finance charges	-	(838)	-	-
	<u>-</u>	<u>6,962</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>6,962</u>	<u>-</u>	<u>-</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.

26 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	80,077	61,439
Retirement benefit obligations	-	(2,105)
	<u>80,077</u>	<u>59,334</u>
	<u>80,077</u>	<u>59,334</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Accelerated capital allowances	51,165	44,428
	<u>51,165</u>	<u>44,428</u>
	<u>51,165</u>	<u>44,428</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 September 2021	59,334	44,428
Charge to profit or loss	20,743	6,737
	<u>80,077</u>	<u>51,165</u>
Liability at 31 August 2022	<u>80,077</u>	<u>51,165</u>

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26 Deferred taxation

(Continued)

Group

The deferred tax liability set out above relates to capital allowances and is expected to reverse within future accounting periods. The deferred tax liability set out above is expected to reverse within future periods and relates to accelerated capital allowances that are expected to mature. £16,955 is expected to reverse in the next financial year.

Company

The deferred tax liability set out above relates to capital allowances and is expected to reverse within future accounting periods. The deferred tax liability set out above is expected to reverse within future periods and relates to accelerated capital allowances that are expected to mature. £10,633 is expected to reverse in the next financial year.

27 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	112,802	163,691

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.

28 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A of £1 each	392	392	392	392
Ordinary B of £1 each	2,544	2,544	2,544	2,544
Ordinary C of £1 each	784	784	784	784
Ordinary D of £1 each	196	196	196	196
	3,916	3,916	3,916	3,916

29 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	400,488	109,077	36,107	28,695
Between two and five years	528,644	138,617	18,039	49,012
	929,132	247,694	54,146	77,707

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	504,293	707,914

31 Controlling party

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

32 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,146,690	1,636,756
Adjustments for:		
Share of results of associates and joint ventures	(162,065)	(57,345)
Taxation charged	450,012	397,479
Finance costs	70,982	122,814
Investment income	(42,872)	(58,974)
Gain on disposal of land and property	(593,335)	-
(Gain)/loss on disposal of tangible fixed assets	(1,150)	4,632
Depreciation and impairment of tangible fixed assets	90,425	104,450
Other gains and losses	-	104,501
Decrease in deferred income	-	(47,919)
Movements in working capital:		
(Increase)/decrease in stocks	(714,615)	967,957
Increase in debtors	(1,093,967)	(1,734,347)
Decrease in creditors	(87,870)	(627,205)
Cash generated from operations	62,235	812,799

WILLIAM HACKETT HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

33 Cash absorbed by operations - company

	2022 £	2021 £
Profit for the year after tax	554,468	2,079,035
Adjustments for:		
Taxation charged	131,969	21,766
Finance costs	3	37,617
Investment income	(92,860)	(550,836)
Gain on disposal of land and property	(593,335)	-
Loss on disposal of tangible fixed assets	291	-
Depreciation and impairment of tangible fixed assets	45,407	54,915
Other gains and losses	-	(1,507,940)
Movements in working capital:		
Increase in debtors	(95,837)	(1,296,762)
(Decrease)/increase in creditors	(68,253)	27,226
Cash absorbed by operations	(118,147)	(1,134,979)

34 Analysis of changes in net funds - group

	1 September 2021 £	Cash flows 31 August 2022	
		£	£
Cash at bank and in hand	3,175,155	1,024,438	4,199,593
Borrowings excluding overdrafts	(2,921,852)	1,073,166	(1,848,686)
Obligations under finance leases	(6,962)	6,962	-
	<u>246,341</u>	<u>2,104,566</u>	<u>2,350,907</u>

35 Analysis of changes in net funds - company

	1 September 2021 £	Cash flows 31 August 2022	
		£	£
Cash at bank and in hand	3,030,267	1,104,914	4,135,181
Borrowings excluding overdrafts	(1,281,975)	1,281,975	-
	<u>1,748,292</u>	<u>2,386,889</u>	<u>4,135,181</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.