

Company Registration No. 09679580 (England and Wales)

WILLIAM HACKETT LIFTING PRODUCTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



WILLIAM HACKETT LIFTING PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr T J Burgess Mr B Burgess Mr R T Bell Mr A Lloyd Mr J A Burgess
Secretary	Mr P Davies
Company number	09679580
Registered office	Oak Drive Lionheart Enterprise Park Alnwick NE66 3EU
Auditor	Baldwins Audit Services International House 20 Hatherton Street Walsall WS4 2LA

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

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WILLIAM HACKETT LIFTING PRODUCTS 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 growth of the company during the year, particularly in overseas markets which is where the increase in turnover has arisen.

The outlook for 2020 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 company.

The current market is stable with potential for growth.

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

Key performance indicators

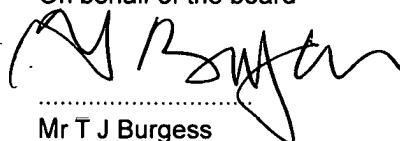
The directors consider that the key financial indicators are turnover, gross profit margin and net profit.

The turnover for the company has increased from £11.07m to £12.22m, an increase of 10.39%

The gross profit for the year is £4.22m giving a margin of 34.58% (2018 - £3.89m giving a margin of 35.18%).

The profit before tax has increased from £1.23m to £1.29m, an increase of 4.93%.

On behalf of the board



Mr T J Burgess

Director

26/2/20

WILLIAM HACKETT LIFTING PRODUCTS 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 is 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

Mr B Burgess

Mr R T Bell

Mr A Lloyd

Mr J A Burgess

Results and dividends

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

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a final dividend.

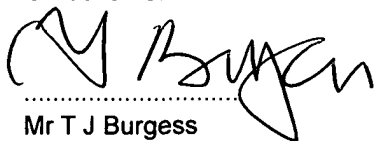
Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company 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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



Mr T J Burgess
Director

Date: 26/2/20

WILLIAM HACKETT LIFTING PRODUCTS 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILLIAM HACKETT LIFTING PRODUCTS LIMITED

Opinion

We have audited the financial statements of William Hackett Lifting Products Limited (the 'company') for the year ended 31 August 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 August 2019 and of its 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 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.

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 LIFTING PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WILLIAM HACKETT LIFTING PRODUCTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 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 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

Senior Statutory Auditor

21/3/20

International House
20 Hatherton Street
Walsall
WS4 2LA

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Turnover	3	12,223,621	11,072,104
Cost of sales		(7,996,173)	(7,177,094)
Gross profit		4,227,448	3,895,010
Distribution costs		(980,485)	(930,005)
Administrative expenses		(1,893,755)	(1,676,857)
Operating profit	4	1,353,208	1,288,148
Interest payable and similar expenses	8	(54,306)	(50,573)
Profit before taxation		1,298,902	1,237,575
Tax on profit	9	(248,139)	(235,410)
Profit for the financial year		1,050,763	1,002,165

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

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

	2019	2018
	£	£
Profit for the year	1,050,763	1,002,165
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,050,763</u>	<u>1,002,165</u>

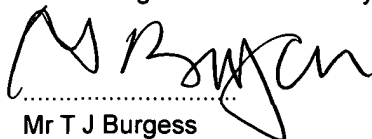
WILLIAM HACKETT LIFTING PRODUCTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		61,246		55,524
Current assets					
Stocks	12	4,236,332		3,797,029	
Debtors	13	3,096,428		2,865,619	
Cash at bank and in hand		44,240		37,318	
		<u>7,377,000</u>		<u>6,699,966</u>	
Creditors: amounts falling due within one year	14	<u>(4,368,204)</u>		<u>(3,949,677)</u>	
Net current assets			<u>3,008,796</u>		<u>2,750,289</u>
Total assets less current liabilities			<u>3,070,042</u>		<u>2,805,813</u>
Creditors: amounts falling due after more than one year	15		(1,383,085)		(1,671,501)
Provisions for liabilities	18		(9,965)		(8,083)
Net assets			<u><u>1,676,992</u></u>		<u><u>1,126,229</u></u>
Capital and reserves					
Called up share capital	21		113		113
Share premium account			8,879		8,879
Profit and loss reserves			<u>1,668,000</u>		<u>1,117,237</u>
Total equity			<u><u>1,676,992</u></u>		<u><u>1,126,229</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26/2/20 and are signed on its behalf by:



Mr T J Burgess
Director

Company Registration No. 09679580

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2017		113	8,879	540,766	549,758
Year ended 31 August 2018:					
Profit and total comprehensive income for the year		-	-	1,002,165	1,002,165
Dividends		-	-	(425,694)	(425,694)
Balance at 31 August 2018		113	8,879	1,117,237	1,126,229
Year ended 31 August 2019:					
Profit and total comprehensive income for the year		-	-	1,050,763	1,050,763
Dividends		-	-	(500,000)	(500,000)
Balance at 31 August 2019		113	8,879	1,668,000	1,676,992

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	26	260,415		509,011	
Interest paid		(54,306)		(50,573)	
Income taxes paid		(229,359)		(104,391)	
Net cash (outflow)/inflow from operating activities		(23,250)		354,047	
Investing activities					
Purchase of tangible fixed assets		(19,160)		(4,051)	
Proceeds on disposal of tangible fixed assets		2,250		8,320	
Net cash (used in)/generated from investing activities		(16,910)		4,269	
Financing activities					
Proceeds of new bank loans		483,988		-	
Repayment of bank loans		-		(72,203)	
Payment of finance leases obligations		(11,212)		(7,603)	
Dividends paid		(425,694)		(248,800)	
Net cash generated from/(used in) financing activities		47,082		(328,606)	
Net increase in cash and cash equivalents		6,922		29,710	
Cash and cash equivalents at beginning of year		37,318		7,608	
Cash and cash equivalents at end of year		44,240		37,318	

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

William Hackett Lifting Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is Oak Drive, Lionheart Enterprise Park, Alnwick, NE66 3EU.

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 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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 lifting products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

1.4 Tangible fixed assets

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

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

Fixtures and fittings	15% straight line
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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

1.6 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 replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 company 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 company 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.

Trade creditors are obligations to pay for goods 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 company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

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

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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 when the company has 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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 leases asset are consumed.

WILLIAM HACKETT LIFTING PRODUCTS 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 company'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets and depreciation

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the net assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, all relevant known factors are taken into account but there is inherent uncertainty present in making this assessment.

Stock provisions

The company considers it necessary to evaluate the recoverability of the cost of stock. The stock levels are constantly reviewed and, should there be an indication of obsolescence, the stock is written down to its assessed net realisable value.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

3 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
Principal activity	12,223,621	11,072,104
	<u>12,223,621</u>	<u>11,072,104</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United kingdom	8,626,389	10,010,961
Europe	1,594,873	361,953
Rest of the world	2,002,359	699,190
	<u>12,223,621</u>	<u>11,072,104</u>

WILLIAM HACKETT LIFTING PRODUCTS 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):		
Depreciation of owned tangible fixed assets	3,579	3,805
Depreciation of tangible fixed assets held under finance leases	8,443	2,448
Profit on disposal of tangible fixed assets	(834)	-
Cost of stocks recognised as an expense	7,630,513	6,860,241
Operating lease charges	19,896	21,712
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	9,250	8,850
	<u> </u>	<u> </u>

6 Employees

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

	2019	2018
	Number	Number
	32	29
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,310,755	1,013,639
Pension costs	70,183	59,936
	<u> </u>	<u> </u>
	1,380,938	1,073,575
	<u> </u>	<u> </u>

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	322,260	120,121
Company pension contributions to defined contribution schemes	28,453	21,816
	<u>350,713</u>	<u>141,937</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2018 - 4).

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

	2019 £	2018 £
Remuneration for qualifying services	106,941	46,951
Company pension contributions to defined contribution schemes	9,427	12,708
	<u>116,368</u>	<u>59,659</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on invoice finance arrangements	53,433	49,700
Other finance costs:		
Interest on finance leases and hire purchase contracts	873	873
	<u>54,306</u>	<u>50,573</u>

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	246,257	229,359
Deferred tax		
Origination and reversal of timing differences	1,882	6,051
Total tax charge	248,139	235,410

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	1,298,902	1,237,575
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	246,791	235,139
Tax effect of expenses that are not deductible in determining taxable profit	1,348	271
Taxation charge for the year	248,139	235,410

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 September 2018	4,410	75,980	80,390
Additions	3,165	15,995	19,160
Disposals	-	(3,348)	(3,348)
At 31 August 2019	7,575	88,627	96,202
Depreciation and impairment			
At 1 September 2018	1,322	23,544	24,866
Depreciation charged in the year	1,136	10,886	12,022
Eliminated in respect of disposals	-	(1,932)	(1,932)
At 31 August 2019	2,458	32,498	34,956
Carrying amount			
At 31 August 2019	5,117	56,129	61,246
At 31 August 2018	3,088	52,436	55,524

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

	2019 £	2018 £
Motor vehicles	34,136	42,579

11 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,070,267	2,806,245
Carrying amount of financial liabilities		
Measured at amortised cost	5,377,451	5,362,105

12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	4,236,332	3,797,029

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	3,056,863	2,796,225
Amounts owed by group undertakings	3,384	-
Other debtors	10,020	45,712
Prepayments and accrued income	26,161	23,682
	<u>3,096,428</u>	<u>2,865,619</u>

14 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Bank loans	16	1,620,511	1,136,523
Obligations under finance leases	17	10,279	12,050
Trade creditors		1,459,183	1,709,011
Amounts owed to group undertakings		685,753	639,355
Corporation tax		246,257	229,359
Other taxation and social security		127,581	29,714
Other creditors		134,240	109,665
Accruals and deferred income		84,400	84,000
		<u>4,368,204</u>	<u>3,949,677</u>

15 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Obligations under finance leases	17	13,085	22,526
Amounts owed to group undertakings		1,370,000	1,648,975
		<u>1,383,085</u>	<u>1,671,501</u>

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Loans and overdrafts

	2019 £	2018 £
Bank loans	1,620,511	1,136,523
Payable within one year	1,620,511	1,136,523

The bank loans represent amounts owing to RBS Invoice Finance in respect of factored debts and are secured over the assets of the company.

17 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	10,788	12,922
In two to five years	15,600	26,389
	26,388	39,311
Less: future finance charges	(3,024)	(4,735)
	23,364	34,576

Finance lease payments represent rentals payable by the company 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.

18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	9,965	8,083

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Deferred taxation

Deferred tax assets and liabilities are offset where the 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 £
Balances:		
Accelerated capital allowances	9,965	8,083
	<u> </u>	<u> </u>
Movements in the year:		2019 £
Liability at 1 September 2018		8,083
Charge to profit or loss		1,882
		<u> </u>
Liability at 31 August 2019		9,965
		<u> </u>

The deferred tax liability set out above relates to accelerated capital allowances and is expected to reverse within future accounting periods. £2,608 is expected to reverse within 12 months.

20 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	70,183	59,936
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2019 £	2018 £
Issued and fully paid		
1,000 Ordinary of 10p each	100	100
114 A Ordinary of 10p each	11	11
23 B Ordinary of 10p each	2	2
	<u> </u>	<u> </u>
	113	113
	<u> </u>	<u> </u>

22 Financial commitments, guarantees and contingent liabilities

The company has secured the bank debts of it's holding company, William Hackett Holdings Limited, via a fixed and floating charge over it's assets. At the balance sheet date, the amount outstanding totalled £1,270,154 (2018 - £1,434,234).

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	349,178	172,523

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges paid	
	2019 £	2018 £
William Hackett Holdings Limited	547,632	588,036

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts owed to related parties		
William Hackett Holdings Limited	2,055,753	2,273,727
William Hackett Chain Products Limited	-	10,603
Directors loan accounts	120,000	102,166
	2,175,753	2,386,496

The following amounts were outstanding at the reporting end date:

	2019 Balance £
Amounts owed by related parties	
William Hackett Chain Products Limited	3,384

There were no amounts owed in the previous period.

24 Directors' transactions

Dividends totalling £120,000 (2018 - £102,166) were paid in the year in respect of shares held by the company's directors.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Controlling party

The parent company is William Hackett Holdings Limited.

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

The accounts are consolidated into the group accounts of William Hackett Holdings Limited and it's registered office address is Oak Drive, Lionheart Enterprise Park, Alnwick, Northumberland, NE66 2EU.

26 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	1,050,763	1,002,165
Adjustments for:		
Taxation charged	248,139	235,410
Finance costs	54,306	50,573
Gain on disposal of tangible fixed assets	(834)	-
Depreciation and impairment of tangible fixed assets	12,022	6,253
Movements in working capital:		
Increase in stocks	(439,303)	(837,718)
Increase in debtors	(230,809)	(93,372)
(Decrease)/increase in creditors	(433,869)	145,700
Cash generated from operations	<u>260,415</u>	<u>509,011</u>