

Company Registration No. 09679580 (England and Wales)

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

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr T J Burgess Mr B Burgess Mr R Bell Mr A Lloyd Mr J A Burgess
Secretary	Mr P Davies
Company number	09679580
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 LIFTING PRODUCTS LIMITED

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WILLIAM HACKETT LIFTING PRODUCTS 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 company for the year taking into account the 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 company.

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 company has increased from £13.03m to £16.12m, an increase of 23.67%.

The gross profit for the year was £6.01m giving a margin of 37.31% (2021 - £4.64m giving a margin of 35.62%).

The profit before tax has increased from £1.42m to £1.75m, an increase of 23.22%.

On behalf of the board

Mr T J Burgess

Director

23 May 2023

WILLIAM HACKETT LIFTING PRODUCTS 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 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.

No ordinary dividends were paid. The directors do not recommend payment of a final 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
Mr B Burgess
Mr R Bell
Mr A Lloyd
Mr J A Burgess

Auditor

Bache Brown & Co Limited were appointed as auditor to the company 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 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.

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.

WILLIAM HACKETT LIFTING PRODUCTS 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 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 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 August 2022 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

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 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 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 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, 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 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.

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 LIFTING PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WILLIAM HACKETT LIFTING PRODUCTS LIMITED

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

23 May 2023

Chartered Certified Accountants
Statutory Auditors

Swinford House
Albion Street
Brierley Hill
West Midlands
DY5 3EE

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Turnover	3	16,119,872	13,034,492
Cost of sales		(10,106,181)	(8,392,008)
Gross profit		6,013,691	4,642,484
Distribution costs		(1,597,513)	(954,161)
Administrative expenses		(2,547,012)	(2,310,072)
Other operating income		-	122,774
Operating profit	4	1,869,166	1,501,025
Interest payable and similar expenses	8	(120,967)	(82,304)
Profit before taxation		1,748,199	1,418,721
Tax on profit	9	(318,043)	(265,682)
Profit for the financial year		1,430,156	1,153,039

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 2022

	2022	2021
	£	£
Profit for the year	1,430,156	1,153,039
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,430,156</u>	<u>1,153,039</u>

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		157,366		110,955
Current assets					
Stocks	12	4,736,164		4,021,549	
Debtors	13	4,339,674		3,258,487	
Cash at bank and in hand		64,412		144,888	
		<u>9,140,250</u>		<u>7,424,924</u>	
Creditors: amounts falling due within one year	14	<u>(3,348,267)</u>		<u>(3,530,692)</u>	
Net current assets			<u>5,791,983</u>		<u>3,894,232</u>
Total assets less current liabilities			<u>5,949,349</u>		<u>4,005,187</u>
Creditors: amounts falling due after more than one year	15		<u>(1,395,000)</u>		<u>(895,000)</u>
Provisions for liabilities					
Deferred tax liability	18	<u>28,912</u>		<u>14,906</u>	
			<u>(28,912)</u>		<u>(14,906)</u>
Net assets			<u><u>4,525,437</u></u>		<u><u>3,095,281</u></u>
Capital and reserves					
Called up share capital	20		113		113
Share premium account			8,879		8,879
Profit and loss reserves			<u>4,516,445</u>		<u>3,086,289</u>
Total equity			<u><u>4,525,437</u></u>		<u><u>3,095,281</u></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 No. 09679580

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2020		113	8,879	2,481,750	2,490,742
Year ended 31 August 2021:					
Profit and total comprehensive income for the year		-	-	1,153,039	1,153,039
Dividends	10	-	-	(548,500)	(548,500)
Balance at 31 August 2021		113	8,879	3,086,289	3,095,281
Year ended 31 August 2022:					
Profit and total comprehensive income for the year		-	-	1,430,156	1,430,156
Balance at 31 August 2022		113	8,879	4,516,445	4,525,437

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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, Northumberland, NE66 2EU.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of William Hackett Holdings Limited. These consolidated financial statements are available from its registered office, Oak Drive, Lionheart Enterprise Park, Alnwick, Northumberland, NE66 2EU.

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 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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 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:

Plant and equipment	15% straight line
Fixtures and fittings	15% straight line
Computers	33% 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.

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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 cost and replacement 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, 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.

1.8 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.

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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.14 Government grants

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

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

1.15 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 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.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Assembly and sale of chain products	16,119,872	13,034,492

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	9,641,791	8,159,986
Europe	2,486,004	2,416,644
Rest of the World	3,992,077	2,457,862
	<u>16,119,872</u>	<u>13,034,492</u>
	2022 £	2021 £
Other revenue		
Grants received	-	122,774
	<u>-</u>	<u>122,774</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(122,774)
Depreciation of owned tangible fixed assets	45,018	20,581
Depreciation of tangible fixed assets held under finance leases	-	5,364
(Profit)/loss on disposal of tangible fixed assets	(1,441)	4,632
Operating lease charges	28,904	26,977
	<u>28,904</u>	<u>26,977</u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	8,625	8,625
	<u>8,625</u>	<u>8,625</u>

6 Employees

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

	2022 Number	2021 Number
Directors	5	5
Production	36	33
	<u>41</u>	<u>38</u>
Total	41	38

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,693,829	1,664,647
Pension costs	99,632	91,248
	<u>1,793,461</u>	<u>1,755,895</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	363,996	345,648
Company pension contributions to defined contribution schemes	27,601	24,241
	<u>391,597</u>	<u>369,889</u>

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

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

	2022 £	2021 £
Remuneration for qualifying services	169,983	111,745
Company pension contributions to defined contribution schemes	10,145	7,636
	<u>180,128</u>	<u>119,381</u>

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on invoice finance arrangements	62,591	38,116
Other interest on financial liabilities	49,988	43,350
Interest on finance leases and hire purchase contracts	838	838
Other interest	7,550	-
	<u>120,967</u>	<u>82,304</u>

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	320,626	259,299
Adjustments in respect of prior periods	(16,589)	-
Total current tax	304,037	259,299
Deferred tax		
Origination and reversal of timing differences	14,006	6,383
Total tax charge	318,043	265,682

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	1,748,199	1,418,721
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	332,158	269,557
Permanent capital allowances in excess of depreciation	(4,465)	-
Other non-reversing timing differences	-	(1,478)
Under/(over) provided in prior years	(16,589)	-
Deferred tax not provided	-	(2,397)
Deferred tax provided at 25%	6,939	-
Taxation charge for the year	318,043	265,682

10 Dividends

	2022 £	2021 £
Interim paid	-	548,500

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 September 2021	86,417	93,743	180,160
Additions	78,321	16,667	94,988
Disposals	-	(19,997)	(19,997)
At 31 August 2022	164,738	90,413	255,151
Depreciation and impairment			
At 1 September 2021	16,603	52,602	69,205
Depreciation charged in the year	35,621	9,397	45,018
Eliminated in respect of disposals	-	(16,438)	(16,438)
At 31 August 2022	52,224	45,561	97,785
Carrying amount			
At 31 August 2022	112,514	44,852	157,366
At 31 August 2021	69,814	41,141	110,955

12 Stocks

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

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	4,258,472	3,169,858
Other debtors	17,957	27,428
Prepayments and accrued income	63,245	61,201
	4,339,674	3,258,487

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	16	1,848,686	1,639,877
Obligations under finance leases	17	-	6,962
Trade creditors		610,898	603,935
Amounts owed to group undertakings		299,889	716,831
Corporation tax		311,586	259,299
Other taxation and social security		240,494	47,306
Other creditors		19,288	148,078
Accruals and deferred income		17,426	108,404
		<u>3,348,267</u>	<u>3,530,692</u>

15 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	1,395,000	895,000
	<u>1,395,000</u>	<u>895,000</u>

16 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,848,686	1,639,877
	<u>1,848,686</u>	<u>1,639,877</u>
Payable within one year	1,848,686	1,639,877
	<u>1,848,686</u>	<u>1,639,877</u>

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

	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>

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.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	28,912	17,011
Retirement benefit obligations	-	(2,105)
	<u>28,912</u>	<u>14,906</u>
Movements in the year:		2022 £
Liability at 1 September 2021		14,906
Charge to profit or loss		14,006
		<u>28,912</u>
Liability at 31 August 2022		<u>28,912</u>

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. £6,322 is expected to reverse in the next financial year.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	99,632	91,248
	<u>99,632</u>	<u>91,248</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.

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 10p each	1,000	1,000	100	100
A Ordinary of 10p each	114	114	11	11
B Ordinary of 10p each	23	23	2	2
	<u>1,137</u>	<u>1,137</u>	<u>113</u>	<u>113</u>

All shares rank pari passu in all respects with each other.

WILLIAM HACKETT LIFTING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Financial commitments, guarantees and contingent liabilities

The company has secured the bank debts of its holding company, William Hackett Holdings Limited, via a fixed and floating charge over its assets.

At the balance sheet date, the amount outstanding totalled £nil (2021 - £1,281,975).

22 Operating lease commitments

Lessee

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

	2022 £	2021 £
Within one year	364,381	80,382
Between two and five years	510,605	89,605
	<u>874,986</u>	<u>169,987</u>

23 Related party transactions

Transactions with related parties

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

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Other related parties	27,494	-	4,060	-
	<u>27,494</u>	<u>-</u>	<u>4,060</u>	<u>-</u>

	2022 £	2021 £
Amounts due to related parties	5,156	-
	<u>5,156</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties	15,274	16,710
	<u>15,274</u>	<u>16,710</u>

24 Directors' transactions

Dividends totalling £0 (2021 - £131,636) 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 2022

25 Ultimate 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 shareholdings in the parent company.

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

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.