

Company registration number 10983636 (England and Wales)

# **HOSE & HYDRAULICS GROUP LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**PAGES FOR FILING WITH REGISTRAR**

# HOSE & HYDRAULICS GROUP LIMITED

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# HOSE & HYDRAULICS GROUP LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	3		1,652,289		1,652,289
<b>Current assets</b>					
Debtors	4	-		5,314	
<b>Creditors: amounts falling due within one year</b>	5	(1,678,146)		(1,682,384)	
<b>Net current liabilities</b>			(1,678,146)		(1,677,070)
<b>Net liabilities</b>			(25,857)		(24,781)
<b>Capital and reserves</b>					
Called up share capital			900		900
Profit and loss reserves			(26,757)		(25,681)
<b>Total equity</b>			(25,857)		(24,781)

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.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

**Mr R J Davies**  
Director

**Company Registration No. 10983636**

# HOSE & HYDRAULICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

Hose & Hydraulics Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 - 11 Charterhouse Square, London, EC1M 6EE.

##### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

##### 1.2 Going concern

The first half of the year under report remained particularly challenging operationally as a result of the continuation of the Covid-19 pandemic. Despite these challenges, the group's trading locations remained open throughout this period, with sites continuing to adapt to the implementation of safe working practices because of the pandemic. Trading performance has remained consistently strong, returning comparatively to pre-pandemic levels, re-enforcing the robust underlying demand for the products and services that the group provides across a wide range of industries.

Trading since the balance sheet date has been profitable and is tracking well ahead of 2021 on a like for like basis. Prudent cash flow forecasts have been prepared alongside the completion of the annual group budget for the upcoming financial year and have been referred to by the directors and at the time of signing the financial statements. The group has headroom in its various facilities in excess of £5,000,000. Since the balance sheet date, various key debt items have also been cleared from the group balance sheet, as a consequence of the acquisition of the group by Diploma PLC in April 2022. This has generated a significantly improved net asset position across the group.

Confirmation has also been provided by principal funders and debt providers that they will not seek repayment for at least twelve months from the date of the financial statements being approved. Other external economic factors such as the ongoing war in Ukraine, and the Brexit transition period have also been considered as part of the group's adoption of the going concern basis. Whilst certain supplier lead times have been extended by a combination of these external factors, there has been minimal impact upon the cash flow of the group and its anticipated cash flow over the short to medium term.

Taken together, these points indicate that the group will be able to meet all its liabilities as they are projected to fall due for payment over the next twelve months, leading the directors to conclude that there are no material uncertainties over adopting the going concern basis at the time of signing the financial statements.

##### 1.3 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

## HOSE & HYDRAULICS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

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

##### 1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts.

##### 1.5 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.

##### **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 and loans from fellow group companies, 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.

##### 1.6 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.

## HOSE & HYDRAULICS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2 Employees

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

	2021 Number	2020 Number
Total	-	-

#### 3 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	1,652,289	1,652,289

#### 4 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	4,407
Other debtors	-	907
	-	5,314

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

	2021 £	2020 £
Bank loans and overdrafts	205,208	369,579
Trade creditors	-	1,140
Amounts owed to group undertakings	1,469,767	1,309,767
Other creditors	3,171	1,898
	1,678,146	1,682,384

Bank borrowings are secured over the assets of the company and via a cross company guarantee involving other group members.

#### 6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

## **HOSE & HYDRAULICS GROUP LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**6 Audit report information**

**(Continued)**

The senior statutory auditor was Joe Sullivan and the auditor was MHA Moore and Smalley.

**7 Financial commitments, guarantees and contingent liabilities**

At the period end the company was party to a cross company guarantee covering group borrowings. at the balance sheet date the security given in this respect was limited to a total of £4,911,209.

**8 Events after the reporting date**

On 6 April 2022, R&G Fluid Power Group Ltd, the ultimate parent company at the balance sheet date, was acquired by a subsidiary of Diploma PLC. Subsequent to this transaction, the group effected a refinance such that overdraft and term debt balances lent by its long-standing banking partner were settled in full. Each of these matters are treated as a non-adjusting post balance sheet event within these financial statements.

**9 Related party transactions**

The company has taken advantage of the exemption conferred by section 33 FRS 102, namely from disclosing any transactions entered into between two or more members of the group. Provided that any subsidiary which is party to the transaction is wholly owned by such a member.

**10 Parent company**

The immediate parent company is R&G Fluid Power Group Limited, a company incorporated in England and Wales. The ultimate parent company is Diploma PLC, a company incorporated in England and Wales, with a registered office located at 10-11 Charterhouse Square, London, England, EC1M 6EE.

The only group in which these results of the company are consolidated is that headed by R&G Fluid Power Group Limited. Copies of these financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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.