

Company Registration No. 10983636 (England and Wales)

HOSE & HYDRAULICS GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PAGES FOR FILING WITH REGISTRAR

HOSE & HYDRAULICS GROUP LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 6

HOSE & HYDRAULICS GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	3		1,652,289		1,692,289
Current assets					
Debtors	4	5,314		188,400	
Cash at bank and in hand		-		898	
		<u>5,314</u>		<u>189,298</u>	
Creditors: amounts falling due within one year	5	<u>(1,682,384)</u>		<u>(1,490,150)</u>	
Net current liabilities			<u>(1,677,070)</u>		<u>(1,300,852)</u>
Total assets less current liabilities			(24,781)		391,437
Creditors: amounts falling due after more than one year	6		-		(415,000)
Net liabilities			<u>(24,781)</u>		<u>(23,563)</u>
Capital and reserves					
Called up share capital			900		900
Profit and loss reserves			<u>(25,681)</u>		<u>(24,463)</u>
Total equity			<u>(24,781)</u>		<u>(23,563)</u>

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 29 June 2021 and are signed on its behalf by:

Mr C F Ford
Director

Company Registration No. 10983636

HOSE & HYDRAULICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 71A Roman Way, Longridge Road, Ribbleson, Preston, PR2 5BE.

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 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The majority of the year under report took place amidst a challenging operational background due to the impact of the Covid-19 pandemic. Although some customers temporarily closed, all of the group's trading locations remained open with a reduced level of staff. The group supplied products to certain industries deemed 'essential' by the government and adapted to the new circumstances caused by the pandemic and specifically the facilitation of appropriate social distancing and hygiene procedures throughout all sites. In spite of these challenges the group still reports significant profits, the majority delivered through like for like sales rather than from in year acquisitions, demonstrating a robust underlying demand for its products and services across the industries which it serves.

The group made use of available government financial support for which it was eligible, such as the CJR scheme. The group's banking partner also provided support in the form of a £3m CBIL scheme loan, additional short-term facilities from asset-backed lending and deferred capital repayments.

Management information shows that trading since the balance sheet date has been profitable and ahead of 2020 on a cumulative like for like basis. The directors have also produced and referred to prudent group cash flow forecasts and at the time of signing the financial statements, the group has headroom in its various facilities in excess of £5.5m. Confirmation has also been provided by key creditors that they will not seek repayment for at least twelve months from the date of the financial statements being approved. 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 and furthermore look to the future with an optimistic outlook.

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 2020

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.

1.7 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 period. 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 periods 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.

HOSE & HYDRAULICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

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

1.8 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.

1.9 Retirement benefits

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

2 Employees

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

	2020 Number	2019 Number
Total	-	1

3 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	1,652,289	1,692,289

HOSE & HYDRAULICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020	1,692,289
Valuation changes	(40,000)
At 31 December 2020	1,652,289
Carrying amount	
At 31 December 2020	1,652,289
At 31 December 2019	1,692,289

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	4,407	-
Amounts owed by group undertakings	-	187,500
Other debtors	907	900
	5,314	188,400

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	369,579	-
Trade creditors	1,140	-
Amounts owed to group undertakings	1,309,767	1,073,115
Other creditors	1,898	417,035
	1,682,384	1,490,150

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

HOSE & HYDRAULICS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	-	415,000
	<u> </u>	<u> </u>

7 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.

The senior statutory auditor was Joe Sullivan.

The auditor was MHA Moore and Smalley.

8 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 £5,159,564.

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 parent company is R&G Fluid Power Group Limited, a company incorporated in England and Wales. The registered office of R&G Fluid Power Group Limited is 71A Roman Way, Longridge Road, Ribblesdale, Preston, PR2 5BE.

The only group in which the 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.