

Company registration number 00627697 (England and Wales)

NORMAN WALKER (MACHINERY) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PAGES FOR FILING WITH REGISTRAR

NORMAN WALKER (MACHINERY) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

NORMAN WALKER (MACHINERY) LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		20,962		30,333
Current assets					
Stocks		51,271		25,232	
Debtors	4	206,841		106,579	
Cash at bank and in hand		82,902		113,335	
		<u>341,014</u>		<u>245,146</u>	
Creditors: amounts falling due within one year	5	<u>(88,252)</u>		<u>(94,551)</u>	
Net current assets			<u>252,762</u>		<u>150,595</u>
Total assets less current liabilities			<u>273,724</u>		<u>180,928</u>
Provisions for liabilities			<u>(5,158)</u>		<u>(5,763)</u>
Net assets			<u>268,566</u>		<u>175,165</u>
Capital and reserves					
Called up share capital			526		526
Profit and loss reserves			<u>268,040</u>		<u>174,639</u>
Total equity			<u>268,566</u>		<u>175,165</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 September 2022 and are signed on its behalf by:

Mr R J Davies
Director

Company Registration No. 00627697

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Norman Walker (Machinery) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 - 11 Charterhouse Square, London, EC1M 6EE. The trading address is Unit 28 Redcliff Road, Melton, HU14 3RS.

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.

1.2 Going concern

On 1 January 2022 the trade, assets and liabilities of the company were transferred out to another group company. As a result these financial statements have been drawn up on a basis other than going concern due to the cessation of trade. No adjustments arise as a result of applying a basis other than going concern.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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:

Leasehold land and buildings	10% straight line
Plant and equipment	10-20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	30% 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.

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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.

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.

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, 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.

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 bank loans 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.

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.

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

2 Employees

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

	2021 Number	2020 Number
Total	6	7

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	35,986	130,039	166,025
Additions	-	400	400
At 31 December 2021	35,986	130,439	166,425
Depreciation and impairment			
At 1 January 2021	35,986	99,706	135,692
Depreciation charged in the year	-	9,771	9,771
At 31 December 2021	35,986	109,477	145,463
Carrying amount			
At 31 December 2021	-	20,962	20,962
At 31 December 2020	-	30,333	30,333

NORMAN WALKER (MACHINERY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****4 Debtors**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	139,546	100,991
Amounts owed by group undertakings	61,577	-
Other debtors	5,718	5,588
	<u>206,841</u>	<u>106,579</u>

5 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	32,874	38,407
Taxation and social security	43,016	45,255
Other creditors	12,362	10,889
	<u>88,252</u>	<u>94,551</u>

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 qualified and the auditor reported as follows:

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Audit report information

(Continued)

Qualified opinion of the financial statements

We have audited the financial statements of Norman Walker (Machinery) Limited (the 'company') for the year ended 31 December 2021 which comprise , the balance sheet 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 qualified opinion

The company took advantage of audit exemption regulations available to it in respect of the financial statements for the year ended 31 December 2020. In carrying out our audit work on the balances at 31 December 2020, which were previously unaudited, we have not been able to obtain sufficient appropriate audit evidence to verify the existence and valuation of Stock balances included in the balance sheet at £25,232, and consequently to form an opinion on whether these balances contain misstatements which materially affect the financial statements for the period ended 31 December 2021.

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.

Emphasis of matter

We draw attention to note 1.2 to the financial statements which describes the preparation of the financial statements on a basis other than going concern. As described in the accounting policies, the trade, assets and liabilities of the company were transferred to another group company on 1st January 2022 and the directors have concluded that it is no longer appropriate to prepare the accounts on a going concern basis.

There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

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

NORMAN WALKER (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Events after the reporting date

As already disclosed, on 1 January 2022 the trade, assets and liabilities of the company were transferred out to another group company and the company ceased trading.

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.

8 Operating lease commitments

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

2021	2020
£	£
5,235	12,214
=====	=====

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 Pneumatic Services 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.