01329434

A.C. HYDRAULICS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

A.C. HYDRAULICS LIMITED
REGISTERED NUMBER:01329434

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	5		**35,224**		44,970
Investments	6		**1**		1
			35,225		44,971
Current assets					
Stocks	7	**124,559**		166,519	
Debtors: amounts falling due within one year	8	**778,266**		783,775	
Cash at bank and in hand		**13,801**		15,052	
		916,626		965,346	
Creditors: amounts falling due within one year	9	**(191,346)**		(243,080)	
Net current assets			**725,280**		722,266
Total assets less current liabilities			**760,505**		767,237
Creditors: amounts falling due after more than one year	10		**(58,208)**		(12,457)
Provisions for liabilities					
Deferred tax		**-**		(8,197)	
			-		(8,197)
Net assets			**702,297**		746,583
Capital and reserves					
Called up share capital			**1,000**		1,000
Profit and loss account			**701,297**		745,583
			702,297		746,583

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....
J R Bray
Director

Date: 29 June 2021

The notes on pages 3 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

The entity is a private company limited by shares, which is incorporated in England and Wales, registration number 01329434. The registered office is Unit 11 Sketchley Meadows, Sketchley Meadows Industrial Estate, Hinckley, Leicestershire, LE10 3EN.

Principal activities

The principal activity of the Company during the year continued to be that of the sale of hydraulic and pneumatic equipment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Debt factoring

The Company factors its sales ledger balances and at the year end the net proceeds from the factor are included within other creditors as a liability or other debtors as an asset. The interest element of the factor's charges is charged on an accruals basis and included in the Profit and Loss Account with bank charges. Other factor costs are similarly charged on an accruals basis against revenue.

2.12 Intangible assets

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line and reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property improvements	-	Straight line over the 12 year lease agreement
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures, fittings and computer equipment	-	15% reducing balance/20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at transaction price, net of transactions costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2019 - 8).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 October 2019	17,679
At 30 September 2020	17,679
Amortisation	
At 1 October 2019	17,679
At 30 September 2020	17,679
Net book value	
At 30 September 2020	-
At 30 September 2019	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. Tangible fixed assets

	Leasehold property improve-ments	Plant and machinery	Motor vehicles	Fixtures, fittings and computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 October 2019	45,593	61,741	31,072	143,644	282,050
At 30 September 2020	45,593	61,741	31,072	143,644	282,050
Depreciation					
At 1 October 2019	26,593	56,119	12,206	142,162	237,080
Charge for the year	3,799	843	5,010	94	9,746
At 30 September 2020	30,392	56,962	17,216	142,256	246,826
Net book value					
At 30 September 2020	15,201	4,779	13,856	1,388	35,224
At 30 September 2019	19,000	5,622	18,866	1,482	44,970

6. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 October 2019	1
At 30 September 2020	1

7. Stocks

	2020	2019
	£	£
Raw materials	**124,559**	166,519
	124,559	166,519

8. Debtors

	2020	2019
	£	£
Trade debtors	**156,437**	248,249
Amounts owed by group undertakings	**511,415**	511,415
Corporation tax repayable	**27,510**	-
Other debtors	**82,904**	24,111
	778,266	783,775

9. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank loans	**2,500**	-
Trade creditors	**159,187**	186,477
Corporation tax	**-**	8,151
Other taxation and social security	**22,157**	16,881
Hire purchase agreements	**1,741**	1,741
Other creditors	**1,361**	25,430
Accruals and deferred income	**4,400**	4,400
	191,346	243,080

Other creditors of £nil (2019 - £18,254) are secured against the assets of the Company.

The hire purchase agreement is secured on the asset to which it relates.

10. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	**47,500**	-
Hire purchase agreements	**10,708**	12,457
	58,208	12,457

Included in the £47,500 Bank loan due in more than one year, is a balance of £6,667 which is due, by instalments, in more than 5 years.

The hire purchase agreement is secured on the asset to which it relates.

11. Guarantees and other financial commitments

The Company had total guarantees and other financial commitments at the balance sheet date of £106,301 (2019 - £156,919).

12. Ultimate parent undertaking

The Company's ultimate parent undertaking is Abwich Limited, registration number 04705861. The registered office and principal place of business is Unit 11 Sketchley Meadows, Sketchley Meadows Industrial Estate, Hinckley, Leicestershire, LE10 3EN.