

Company Registration No. 01994442 (England and Wales)

EXETER HOSE & HYDRAULICS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PAGES FOR FILING WITH REGISTRAR

EXETER HOSE & HYDRAULICS LIMITED

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EXETER HOSE & HYDRAULICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		11,344		14,909
Current assets					
Stocks		78,685		83,700	
Debtors	4	152,628		166,234	
Cash at bank and in hand		32,001		17,248	
		<u>263,314</u>		<u>267,182</u>	
Creditors: amounts falling due within one year	5	<u>(93,819)</u>		<u>(123,783)</u>	
Net current assets			169,495		143,399
Total assets less current liabilities			180,839		158,308
Creditors: amounts falling due after more than one year	6		(5,405)		(7,207)
Provisions for liabilities			<u>(2,155)</u>		<u>(2,535)</u>
Net assets			<u>173,279</u>		<u>148,566</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>173,179</u>		<u>148,466</u>
Total equity			<u>173,279</u>		<u>148,566</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. 01994442

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Exeter Hose & Hydraulics Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71A Roman Way, Longridge, Ribblesdale, Preston, PRE2 5BE. The company trades from a separate address which is located at Kinton PI, Exeter EX2 8QN.

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

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 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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	2% straight line
Plant and equipment	15% on reducing balance
Motor vehicles	25% on 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.

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 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 at bank and in hand 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.

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

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.

EXETER HOSE & HYDRAULICS 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.

1.11 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.

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.

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Employees

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

	2020 Number	2019 Number
Total	7	7

3 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020 and 31 December 2020	17,846	24,495	24,916	67,257
Depreciation and impairment				
At 1 January 2020	17,846	22,866	11,636	52,348
Depreciation charged in the year	-	244	3,321	3,565
At 31 December 2020	17,846	23,110	14,957	55,913
Carrying amount				
At 31 December 2020	-	1,385	9,959	11,344
At 31 December 2019	-	1,629	13,280	14,909

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	63,709	52,694
Amounts owed by group undertakings	79,342	110,896
Other debtors	9,577	2,644
	152,628	166,234

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	-	17,777
Trade creditors	32,616	27,320
Amounts owed to group undertakings	15,000	35,000
Taxation and social security	26,751	21,634
Other creditors	19,452	22,052
	<u>93,819</u>	<u>123,783</u>

6 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	<u>5,405</u>	<u>7,207</u>

The above creditor is secured over the assets to which it relates.

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 year 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 Operating lease commitments

Lessee

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

2020 £	2019 £
<u>65,625</u>	<u>28,125</u>

10 Related party transactions

EXETER HOSE & HYDRAULICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Related party transactions

(Continued)

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.

11 Parent company

The immediate parent company is Hose & Hydraulics Group Limited, a company incorporated in England and Wales. The ultimate 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.