

COMPANY REGISTRATION NUMBER: 04364570

**Hydramec Offshore Hydraulic Systems Limited**  
**Unaudited financial statements**

**For the year ended**  
**31 December 2016**



# Hydramec Offshore Hydraulic Systems Limited

## Statement of financial position

31 December 2016

	Note	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		113,570		178,259
<b>Current assets</b>					
Stocks		293,884		364,370	
Debtors	6	1,582,539		1,314,336	
Cash at bank and in hand		14,847		158,445	
		<u>1,891,270</u>		<u>1,837,151</u>	
<b>Creditors: Amounts falling due within one year</b>	7	<u>(355,151)</u>		<u>(580,617)</u>	
<b>Net current assets</b>			<u>1,536,119</u>		<u>1,256,534</u>
<b>Total assets less current liabilities</b>			<u>1,649,689</u>		<u>1,434,793</u>
<b>Provisions</b>					
Taxation including deferred tax			<u>(18,144)</u>		<u>(31,075)</u>
<b>Net assets</b>			<u>1,631,545</u>		<u>1,403,718</u>
<b>Capital and reserves</b>					
Called up share capital	8		200		200
Profit and loss account			<u>1,631,345</u>		<u>1,403,518</u>
<b>Members funds</b>			<u>1,631,545</u>		<u>1,403,718</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.  
The notes on pages 3 to 6 form part of these financial statements.

# Hydramec Offshore Hydraulic Systems Limited

## Statement of financial position *(continued)*

31 December 2016

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These financial statements were approved by the board of directors and authorised for issue on ....., and are signed on behalf of the board by:

 01/08/2017  
D P Church  
Director

Company registration number: 04364570

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The notes on pages 3 to 6 form part of these financial statements.

# Hydramec Offshore Hydraulic Systems Limited

## Notes to the financial statements

Year ended 31 December 2016

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### 1. General information

The company, registration number 04364570, is a private company limited by shares, registered in England and Wales. The address of the registered office is Units G2 - G4 Boundary Road, Great Yarmouth, Norfolk, NR31 0LY.

### 2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

#### Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Hydramec Offshore Hydraulic Systems Limited

## Notes to the financial statements *(continued)*

Year ended 31 December 2016

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### 3. Accounting policies *(continued)*

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & machinery	-	15% reducing balance
Fixtures & fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% straight line

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

# Hydramec Offshore Hydraulic Systems Limited

## Notes to the financial statements *(continued)*

Year ended 31 December 2016

### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

### 4. Employee numbers

The average number of persons employed by the company during the year, including the director, amounted to 26 (2015: 30).

### 5. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 January 2016	274,176	33,518	88,669	61,525	457,888
Additions	10,344	—	—	—	10,344
Disposals	(42,153)	—	(69,000)	—	(111,153)
<b>At 31 December 2016</b>	<b>242,367</b>	<b>33,518</b>	<b>19,669</b>	<b>61,525</b>	<b>357,079</b>
<b>Depreciation</b>					
At 1 January 2016	163,634	20,181	46,132	49,682	279,629
Charge for the year	15,774	2,002	1,744	6,599	26,119
Disposals	(28,798)	—	(33,441)	—	(62,239)
<b>At 31 December 2016</b>	<b>150,610</b>	<b>22,183</b>	<b>14,435</b>	<b>56,281</b>	<b>243,509</b>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<b>91,757</b>	<b>11,335</b>	<b>5,234</b>	<b>5,244</b>	<b>113,570</b>
At 31 December 2015	110,542	13,337	42,537	11,843	178,259

### 6. Debtors

	2016 £	2015 £
Trade debtors	58,594	323,655
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,152,047	796,641
Other debtors	371,898	194,040
	<b>1,582,539</b>	<b>1,314,336</b>

# Hydramec Offshore Hydraulic Systems Limited

## Notes to the financial statements *(continued)*

Year ended 31 December 2016

### 7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	51,576	—
Trade creditors	245,670	372,746
Corporation tax	24,358	—
Social security and other taxes	20,810	65,354
Other creditors	12,737	142,517
	<u>355,151</u>	<u>580,617</u>

### 8. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

### 9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Later than 1 year and not later than 5 years	<u>76,000</u>	<u>76,000</u>

### 10. Contingencies

The company has guaranteed the whole of any bank facility made available to HOHS Holdings Limited by HSBC Bank Plc. The bank has a debenture over the assets of the company to support the guarantee. At 31 December 2016 no liability arose under this agreement.

### 11. Director's advances, credits and guarantees

The company operates an interest free loan account with D P Church, at the year end D P Church owed the company £48,190 (2015 - £64,511).

### 12. Related party transactions

At the year end the company was owed £241,100 (2015 - £Nil) by fellow subsidiary C.A.P. Fabrications Limited.

At the year end the company was owed £910,947 (2015 - £796,641) by parent company HOHS Holdings Limited.

### 13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.