

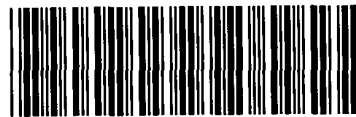
Hilco Industrial Limited

Director's report and financial statements

for the year ended 31 December 2014

Registered number: 06088178

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Company Information

Director	J Chen
Registered number	06088178
Registered office	3 St Helen's Place London EC3A 6AB
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Bank of Scotland 41-51 Grey Street Newcastle Upon Tyne NE1 6EE

Contents

	Page
Director's report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

Director's report

for the year ended 31 December 2014

The director presents his report and the financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the company is that of the acquisition, disposals and commission-based sales of industrial capital assets.

Results

The loss for the year, after taxation, amounted to £390,535 (2013 loss - £31,589).

Director

The director who served during the year was:

J Chen

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Hilco Industrial Limited

Director's report

for the year ended 31 December 2014

This report was approved by the sole director on 30 September 2015 and signed on its behalf.


J Chen
Director

Independent auditor's report to the members of Hilco Industrial Limited for the year ended 31 December 2014

We have audited the financial statements of Hilco Industrial Limited for the year ended 31 December 2014, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Hilco Industrial Limited for the year ended 31 December 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.



Peter Chapman (Senior statutory auditor)
for and on behalf of

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

30 September 2015

Profit and loss account
for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	4,510,817	10,372,976
Cost of sales		(3,758,756)	(9,475,787)
Gross profit		752,061	897,189
Administrative expenses		(1,045,825)	(774,250)
Operating (loss)/profit	3	(293,764)	122,939
Interest payable and similar charges	4	(96,771)	(154,528)
Loss on ordinary activities before taxation		(390,535)	(31,589)
Tax on loss on ordinary activities		-	-
Loss for the financial year	10	(390,535)	(31,589)

The notes on pages 7 to 12 form part of these financial statements.

Balance sheet

as at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	5		4,728		6,113
Current assets					
Stocks and work in progress	6	551,155		3,566,473	
Debtors	7	202,989		2,117,945	
Cash at bank and in hand		1,412,991		2,732,774	
		<u>2,167,135</u>		<u>8,417,192</u>	
Creditors: amounts falling due within one year	8	<u>(2,196,168)</u>		<u>(8,057,075)</u>	
Net current (liabilities)/assets			<u>(29,033)</u>		360,117
Total assets less current liabilities			<u>(24,305)</u>		<u>366,230</u>
Capital and reserves					
Called up share capital	9		1		1
Capital reserve	10		6,111,761		6,111,761
Profit and loss account	10		<u>(6,136,067)</u>		<u>(5,745,532)</u>
Shareholders' (deficit)/funds	11		<u>(24,305)</u>		<u>366,230</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the sole director and were signed on its behalf on 30 September 2015


J. Chen
Director

The notes on pages 7 to 12 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Cash flow statement

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Turnover

Turnover represents the commissions due and payable to the company, as an agent, by both vendors and buyers on completion of auctions, and profit made on the acquisition and subsequent sale of industrial equipment where the company acts as principal.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	- 20% straight line
Other fixed assets	- 20% straight line

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Where a number of stock items are purchased together, cost of each stock item is estimated as a proportion of the expected profit for selling all of the batch of stock items.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies (continued)

1.8 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Capital contributions

Capital contributions are classified as equity and represent funds provided by the company's shareholders and are repayable by the company at its sole discretion.

2. Turnover

All of the company's turnover, except for rental income of £12,000 (2013 - £12,000), is derived from its principal activity.

78.2% of the company's turnover (2013 - 77.5%) is attributable to geographical markets outside the United Kingdom.

3. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	1,385	1,316
Auditor's remuneration	11,000	11,000
Pension costs	11,309	12,233

During the year, no director received any emoluments (2013 - £NIL).

4. Interest payable

	2014 £	2013 £
On other loans	96,771	154,528

Notes to the financial statements
for the year ended 31 December 2014

5. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 January 2014 and 31 December 2014	2,095	67,571	69,666
Depreciation			
At 1 January 2014	2,095	61,458	63,553
Charge for the year	-	1,385	1,385
At 31 December 2014	2,095	62,843	64,938
Net book value			
At 31 December 2014	-	4,728	4,728
At 31 December 2013	-	6,113	6,113

6. Stock and work in progress

	2014 £	2013 £
Work in progress	15,340	31,575
Stock	535,815	3,534,898
	551,155	3,566,473

Notes to the financial statements
for the year ended 31 December 2014

7. Debtors

	2014 £	2013 £
Trade debtors	79,536	999,824
Amounts owed by group undertakings	8,097	-
Other debtors	115,356	1,118,121
	<u>202,989</u>	<u>2,117,945</u>

Included within other debtors is amounts totalling £18,520 (2013 - £18,064) relating to rent deposits due after more than one year.

**8. Creditors:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	27,830	193,582
Amounts owed to group undertakings	959,869	4,399,800
Other taxation and social security	7,441	9,280
Other creditors	1,201,028	3,454,413
	<u>2,196,168</u>	<u>8,057,075</u>

9. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. Reserves

	Capital reserve £	Profit and loss account £
At 1 January 2014	6,111,761	(5,745,532)
Loss for the financial year	-	(390,535)
At 31 December 2014	<u>6,111,761</u>	<u>(6,136,067)</u>

Notes to the financial statements
for the year ended 31 December 2014

11. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	366,230	397,819
Loss for the financial year	(390,535)	(31,589)
Closing shareholders' (deficit)/funds	<u>(24,305)</u>	<u>366,230</u>

12. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

13. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,309 (2013 - £12,233). Contributions totalling £Nil (2013 - £1,752) were payable to the fund at the balance sheet date and are included in creditors.

15. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>12,086</u>	<u>10,876</u>

16. Related party transactions

During the year, the company incurred £51,629 (2013 - £21,089) of expenses on behalf of Hilco Appraisal Limited.

Administrative expenses totalling £271,309 (2013 - £204,815) were paid by Hilco Appraisal Limited on behalf of the company.

At 31 December 2014, £6,273 (2013 - £58,738) was due to Hilco Appraisal Limited.

Hilco Appraisal Limited is a related party by virtue of being under common ultimate control with Hilco Industrial Limited.

The company has taken advantage of the exemptions in paragraph 16.2 of the FRSSE and has not disclosed transactions with other wholly owned members of the group headed by Hilco Trading, LLC.

Notes to the financial statements
for the year ended 31 December 2014

17. Ultimate parent undertaking and controlling party

At 31 December 2014, Hilco Industrial Limited was 100% owned by Hilco Industrial, LLC, a company registered in the United States of America.

The director considers the ultimate parent undertaking and controlling related party of the company to be Hilco Trading, LLC, a limited liability company registered in the United States of America.

The largest and smallest group of undertakings for which group accounts have been drawn up which include the company is that headed by Hilco Trading, LLC.