

Hilco Industrial Limited

Financial statements

for the year ended 31 December 2017

Registered number: 06088178

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Statement of financial position

as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	4	99	383,468
Cash at bank and in hand		68,268	148,245
		<u>68,367</u>	<u>531,713</u>
Creditors: amounts falling due within one year	5	(450,436)	(853,022)
Net current liabilities		(382,069)	(321,309)
Net liabilities		(382,069)	(321,309)
Capital and reserves			
Called up share capital		1	1
Capital reserve		6,111,761	6,111,761
Profit and loss account		(6,493,831)	(6,433,071)
		<u>(382,069)</u>	<u>(321,309)</u>

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 statement of income and retained earnings 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 on *July 9, 2018*


J. Chen
Director

The notes on pages 2 to 5 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2017

1. General information

Hilco Industrial Limited is a limited company incorporated in England and Wales. The registered office is 3 St Helen's Place, London, EC3A 6AB. The registered number is 06088178.

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 Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the accounts on a going concern basis as the company's parent undertaking, Hilco Industrial, LLC, has agreed to provide continuing financial support to the company for at least twelve months from the date of approval of these financial statements.

2.3 Revenue

Revenue 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.

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.

Notes to the financial statements

for the year ended 31 December 2017

2. Accounting policies (continued)

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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.

2.6 Financial instruments

The company only enters into basic financial instruments 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 non-puttable 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 present value of the future cash flows 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 profit or loss.

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 reporting date.

2.7 Creditors

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

Notes to the financial statements

for the year ended 31 December 2017

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.9 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.

2.10 Taxation

Tax is recognised in the Statement of income and retained earnings, 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 reporting date in the countries where the company operates and generates income.

2.11 Capital contributions

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

3. Employees

The average number of monthly employees for the year was nil (2016: nil).

Notes to the financial statements

for the year ended 31 December 2017

4. Debtors

	2017 £	2016 £
Other debtors	99	383,468
	<u>99</u>	<u>383,468</u>

5. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	5,078
Amounts owed to group undertakings	440,436	802,749
Other creditors	-	36,320
Accruals and deferred income	10,000	8,875
	<u>450,436</u>	<u>853,022</u>

6. Controlling party

At 31 December 2017, Hilco Industrial Limited was 100% owned by Hilco Industrial, LLC, a company registered in the United States of America. The registered office is 5 Revere Dr., Suite 300, Northbrook, IL 60062.

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.

7. Auditor's information

The auditor's report was unqualified and there were no matters to which the auditor drew attention by way of emphasis. The auditor's report was signed by Peter Chapman (Senior statutory auditor) for and on behalf of Buzzacott LLP, 130 Wood Street, London EC2V 6DL.