

Company Registration No. 00343941 (England and Wales)

HICKMAN & LOVE (TIPTON) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

HICKMAN & LOVE (TIPTON) LIMITED

COMPANY INFORMATION

Directors Mrs P J Robbins
Mr M A Love
Mr M W Love
Miss J M Love

Secretary Mrs P J Robbins

Company number 00343941

Registered office Budden Road
Coseley
West Midlands
WV14 8JZ

Auditor Edwards
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

HICKMAN & LOVE (TIPTON) LIMITED

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HICKMAN & LOVE (TIPTON) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Review of business and future developments

The operating profit of the company has decreased from £486,070 to £277,600. The profit after taxation has decreased from £465,767 to £300,104.

The company faces a number of risks and uncertainties and the directors believe that the key business risks are in respect of competition from both UK and international businesses and in ensuring product development and availability. In view of these risks and uncertainties, the directors are aware that the development of the company may be affected by factors outside their control.

The directors anticipate the business environment will remain competitive but believe that the company is in a good financial position and they remain confident that the company will continue to grow.

On behalf of the board

Mr M A Love

Director

19 January 2021

HICKMAN & LOVE (TIPTON) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of manufacturing and supplying of steel reinforcing products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs P J Robbins

Mr M A Love

Mr M W Love

Miss J M Love

Results and dividends

Ordinary dividends were paid amounting to £120,000. The directors do not recommend payment of a further dividend.

Research and development

The company will continue its policy of investment in developing new products and maintaining an attractive and profitable product range in order to retain a competitive position in the market.

Auditor

Edwards were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Other events

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. We currently have an appropriate response plan in place, and we will continue to monitor and assess the ongoing development and respond accordingly.

On behalf of the board

Mr M A Love

Director

19 January 2021

HICKMAN & LOVE (TIPTON) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

HICKMAN & LOVE (TIPTON) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HICKMAN & LOVE (TIPTON) LIMITED

Opinion

We have audited the financial statements of Hickman & Love (Tipton) Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

HICKMAN & LOVE (TIPTON) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HICKMAN & LOVE (TIPTON) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

David Webb FCA (Senior Statutory Auditor)
for and on behalf of Edwards

22 January 2021

Chartered Accountants
Statutory Auditor

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

HICKMAN & LOVE (TIPTON) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	10,082,975	10,583,513
Cost of sales		(6,955,118)	(7,648,487)
Gross profit		3,127,857	2,935,026
Administrative expenses		(2,850,257)	(2,448,956)
Operating profit	4	277,600	486,070
Interest receivable and similar income	7	970	-
Interest payable and similar expenses	8	(10,490)	(15,549)
Profit before taxation		268,080	470,521
Tax on profit	9	32,024	(4,754)
Profit for the financial year		300,104	465,767

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HICKMAN & LOVE (TIPTON) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	2,448,247		2,476,066	
Current assets					
Stocks	13	1,012,288		1,120,249	
Debtors	14	2,099,871		2,545,132	
Cash at bank and in hand		1,247,754		818,934	
		<u>4,359,913</u>		<u>4,484,315</u>	
Creditors: amounts falling due within one year	15	<u>(2,902,238)</u>		<u>(3,209,499)</u>	
Net current assets			1,457,675		1,274,816
Total assets less current liabilities			<u>3,905,922</u>		<u>3,750,882</u>
Creditors: amounts falling due after more than one year	16		(166,728)		(206,292)
Provisions for liabilities	18		<u>(233,500)</u>		<u>(219,000)</u>
Net assets			<u>3,505,694</u>		<u>3,325,590</u>
Capital and reserves					
Called up share capital	21		2,000		2,000
Revaluation reserve			579,646		602,395
Profit and loss reserves			<u>2,924,048</u>		<u>2,721,195</u>
Total equity			<u>3,505,694</u>		<u>3,325,590</u>

The financial statements were approved by the board of directors and authorised for issue on 19 January 2021 and are signed on its behalf by:

Mr M A Love
Director

Company Registration No. 00343941

HICKMAN & LOVE (TIPTON) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2018		2,000	624,710	2,353,113	2,979,823
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	465,767	465,767
Dividends	10	-	-	(120,000)	(120,000)
Transfers		-	(22,315)	22,315	-
Balance at 31 March 2019		2,000	602,395	2,721,195	3,325,590
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	-	300,104	300,104
Dividends	10	-	-	(120,000)	(120,000)
Transfers		-	(22,749)	22,749	-
Balance at 31 March 2020		2,000	579,646	2,924,048	3,505,694

HICKMAN & LOVE (TIPTON) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	27	818,212		496,363	
Interest paid		(10,490)		(15,549)	
Income taxes refunded/(paid)		37,757		(65,758)	
Net cash inflow from operating activities		845,479		415,056	
Investing activities					
Purchase of tangible fixed assets		(226,294)		(328,313)	
Proceeds on disposal of tangible fixed assets		6,750		45,250	
Interest received		970		-	
Net cash used in investing activities		(218,574)		(283,063)	
Financing activities					
Payment of finance leases obligations		(78,085)		(206,405)	
Dividends paid		(120,000)		(120,000)	
Net cash used in financing activities		(198,085)		(326,405)	
Net increase/(decrease) in cash and cash equivalents		428,820		(194,412)	
Cash and cash equivalents at beginning of year		818,934		1,013,346	
Cash and cash equivalents at end of year		1,247,754		818,934	

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Hickman & Love (Tipton) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Budden Road, Coseley, West Midlands, WV14 8JZ.

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.

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, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Land and buildings	4% reducing balance
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

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.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Stocks

Stock has been valued by the directors at the lower of cost and net realisable value, and consists of direct materials. Cost is ascertained by the use of the first in first out method of cost calculation. Net realisable value is based on estimated selling price, less further costs to be incurred to completion and disposal. Provision is made for obsolete, slow moving stock and defective items where appropriate.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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

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

Basic financial liabilities

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

1.8 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.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 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.

1.12 Research and development

Research and Development expenditure is written off in the year in which it is incurred.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

3 Turnover and other revenue

Turnover is wholly attributable to the company's principal activity of manufacturing and supplying of steel reinforcing products and is wholly incurred within the United Kingdom.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	14,000
Depreciation of owned tangible fixed assets	209,021	187,740
Depreciation of tangible fixed assets held under finance leases	79,479	39,933
(Profit)/loss on disposal of tangible fixed assets	(1,410)	1,309
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Direct	45	42
Indirect	7	7
Administration	3	3
Directors	4	4
	<u> </u>	<u> </u>
Total	59	56
	<u> </u>	<u> </u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,329,228	2,115,289
Social security costs	245,363	225,814
Pension costs	63,201	53,506
	<u>2,637,792</u>	<u>2,394,609</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	769,222	629,228
Company pension contributions to defined contribution schemes	30,000	30,000
	<u>799,222</u>	<u>659,228</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Other interest income	970	-
	<u>970</u>	<u>-</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	10,490	15,549
	<u>10,490</u>	<u>15,549</u>

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	44,251	54,128
Adjustments in respect of prior periods	(90,775)	(92,374)
Total current tax	<u>(46,524)</u>	<u>(38,246)</u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Taxation (Continued)

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	14,500	43,000
	<u> </u>	<u> </u>
Total tax (credit)/charge	(32,024)	4,754
	<u> </u>	<u> </u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	268,080	470,521
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	50,935	89,399
Tax effect of expenses that are not deductible in determining taxable profit	7,816	7,729
Adjustments in respect of prior years	(90,775)	(92,374)
	<u> </u>	<u> </u>
Taxation (credit)/charge for the year	(32,024)	4,754
	<u> </u>	<u> </u>

10 Dividends

	2020 £	2019 £
Final paid	120,000	120,000
	<u> </u>	<u> </u>

11 Intangible fixed assets

	Goodwill £	Development Costs £	Total £
Cost			
At 1 April 2019 and 31 March 2020	301,682	7,419	309,101
	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment			
At 1 April 2019 and 31 March 2020	301,682	7,419	309,101
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 March 2020	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	-	-	-
	<u> </u>	<u> </u>	<u> </u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12	Tangible fixed assets								
		Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total		
	Cost or valuation	£	£	£	£	£	£		
	At 1 April 2019	1,134,325	2,547,610	201,390	43,668	358,033	4,285,026		
	Additions	23,180	209,817	8,826	11,398	12,800	266,021		
	Disposals	-	(30,000)	-	-	-	(30,000)		
	At 31 March 2020	1,157,505	2,727,427	210,216	55,066	370,833	4,521,047		
	Depreciation and impairment								
	At 1 April 2019	108,004	1,392,646	138,331	40,687	129,292	1,808,960		
	Depreciation charged in the year	31,296	187,854	8,133	3,909	57,308	288,500		
	Eliminated in respect of disposals	-	(24,660)	-	-	-	(24,660)		
	At 31 March 2020	139,300	1,555,840	146,464	44,596	186,600	2,072,800		
	Carrying amount								
	At 31 March 2020	1,018,205	1,171,587	63,752	10,470	184,233	2,448,247		
	At 31 March 2019	1,026,321	1,154,964	63,059	2,981	228,741	2,476,066		

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	2020 £	2019 £
Freehold land	260,000	260,000
	<u>260,000</u>	<u>260,000</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and machinery	180,970	188,536
Motor vehicles	146,625	195,500
	<u>327,595</u>	<u>384,036</u>
Depreciation charge for the year in respect of leased assets	<u>79,479</u>	<u>39,933</u>

The company's freehold land and buildings were valued at £1,100,000 on a market value basis as at 8 December 2015 by First City Limited.

Directors consider the property in the financial statements to represent market value as at 31 March 2020 and therefore they have not valued the property in the financial year.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	612,300	612,300
Accumulated depreciation	232,182	223,844
Carrying value	<u>380,118</u>	<u>388,456</u>

13 Stocks

	2020 £	2019 £
Raw materials and consumables	825,947	911,117
Finished goods and goods for resale	186,341	209,132
	<u>1,012,288</u>	<u>1,120,249</u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,962,813	2,437,545
Corporation tax recoverable	91,253	92,374
Other debtors	32,941	13,417
Prepayments and accrued income	12,864	1,796
	<u>2,099,871</u>	<u>2,545,132</u>

15 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Obligations under finance leases	17	72,767	71,561
Trade creditors		2,249,680	2,392,763
Corporation tax		44,239	54,127
Other taxation and social security		218,544	362,187
Other creditors		214,716	179,906
Accruals and deferred income		102,292	148,955
		<u>2,902,238</u>	<u>3,209,499</u>

Obligations under finance leases are secured on the asset to which they relate.

16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Obligations under finance leases	17	166,728
	<u>166,728</u>	<u>206,292</u>

Obligations under finance leases are secured on the asset to which they relate.

17 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	72,767	71,561
In two to five years	166,728	206,292
	<u>239,495</u>	<u>277,853</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 36 months. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	19	233,500	219,000

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	222,500	208,000
Property revaluations	11,000	11,000
	<u>233,500</u>	<u>219,000</u>
Movements in the year:		2020 £
Liability at 1 April 2019		219,000
Charge to profit or loss		14,500
		<u>233,500</u>

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	63,201	53,506

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
2,000 Ordinary shares of £1 each	2,000	2,000

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	29,608	-

23 Directors' transactions

Dividends totalling £120,000 (2019 - £120,000) were paid in the year in respect of shares held by the company's directors.

The directors have provided interest free loans to the company of £27,793 (2019: £13,985).

24 Related party transactions

All directors and certain senior employees who have enough authority and responsibility for controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is disclosed in note 6.

Hy-Tops Limited ("HTL") and Midlands CNC Limited ("CNC") are companies under common directorship.

During the year the company recharged overhead expenses amounting to £9,916 (2019: £138) to HTL and was recharged overhead expenses amounting to £44,147 (2019: £14,043). At 31 March 2020, included within other creditors payable within one year is a balance due to HTL amounting to £173,730 (2019: £165,284).

During the year the company collected debts on behalf of CNC and included within other creditors payable within one year is a balance due to CNC amounting to £466 (2019: £Nil).

25 Financial commitments, guarantees and contingent liabilities

Hickman & Love (Tipton) Limited is party to a cross guarantee securing overdraft facilities for Hy-tops Limited of which £Nil was utilised as at 31 March 2020 (2019: £Nil).

26 Ultimate controlling party

In the opinion of the directors, there is no single controlling party.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

27 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	300,104	465,767
Adjustments for:		
Taxation (credited)/charged	(32,024)	4,754
Finance costs	10,490	15,549
Investment income	(970)	-
(Gain)/loss on disposal of tangible fixed assets	(1,410)	1,309
Depreciation and impairment of tangible fixed assets	288,500	227,673
Movements in working capital:		
Decrease/(increase) in stocks	107,961	(584,358)
Decrease/(increase) in debtors	444,140	(479,296)
(Decrease)/increase in creditors	(298,579)	844,965
Cash generated from operations	818,212	496,363

28 Analysis of changes in net funds

	1 April 2019 £	Cash flows £	New finance leases £	31 March 2020 £
Cash at bank and in hand	818,934	428,820	-	1,247,754
Obligations under finance leases	(277,853)	78,085	(39,727)	(239,495)
	<u>541,081</u>	<u>506,905</u>	<u>(39,727)</u>	<u>1,008,259</u>

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.