

Company Registration No. 00343941 (England and Wales)

HICKMAN & LOVE (TIPTON) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

HICKMAN & LOVE (TIPTON) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	3 - 10

HICKMAN & LOVE (TIPTON) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4		2,476,066		2,205,485
Current assets					
Stocks		1,120,249		535,891	
Debtors	5	2,545,132		1,973,462	
Cash at bank and in hand		818,934		1,013,346	
		<u>4,484,315</u>		<u>3,522,699</u>	
Creditors: amounts falling due within one year	6	<u>(3,209,499)</u>		<u>(2,418,341)</u>	
Net current assets			1,274,816		1,104,358
Total assets less current liabilities			<u>3,750,882</u>		<u>3,309,843</u>
Creditors: amounts falling due after more than one year	7		(206,292)		(154,020)
Provisions for liabilities	9		<u>(219,000)</u>		<u>(176,000)</u>
Net assets			<u>3,325,590</u>		<u>2,979,823</u>
Capital and reserves					
Called up share capital	10		2,000		2,000
Revaluation reserve	11		602,395		624,710
Profit and loss reserves			<u>2,721,195</u>		<u>2,353,113</u>
Total equity			<u>3,325,590</u>		<u>2,979,823</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 8 November 2019 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 2019

	Share capital	Revaluation reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2017	2,000	640,988	2,040,291	2,683,279
Year ended 31 March 2018:				
Profit for the year	-	-	408,044	408,044
Other comprehensive income:				
Tax relating to other comprehensive income	-	6,500	-	6,500
Total comprehensive income for the year	-	6,500	408,044	414,544
Dividends	-	-	(118,000)	(118,000)
Transfers	-	(22,778)	22,778	-
Balance at 31 March 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	-	-	(120,000)	(120,000)
Transfers	-	(22,315)	22,315	-
Balance at 31 March 2019	2,000	602,395	2,721,195	3,325,590

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

1.2 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.

1.3 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.

1.4 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.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 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, 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.

1.6 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.7 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 2019

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.

1.8 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.

1.9 Retirement benefits

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

1.10 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.

1.11 Research and development

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 55 (2018 - 50).

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Directors' remuneration

	2019 £	2018 £
Remuneration paid to directors	659,228	612,528
Dividends paid to directors	120,000	118,000

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 April 2018	1,105,525	2,723,538	3,829,063
Additions	28,800	516,013	544,813
Disposals	-	(88,850)	(88,850)
At 31 March 2019	1,134,325	3,150,701	4,285,026
Depreciation and impairment			
At 1 April 2018	76,178	1,547,400	1,623,578
Depreciation charged in the year	31,826	195,847	227,673
Eliminated in respect of disposals	-	(42,291)	(42,291)
At 31 March 2019	108,004	1,700,956	1,808,960
Carrying amount			
At 31 March 2019	1,026,321	1,449,745	2,476,066
At 31 March 2018	1,029,347	1,176,138	2,205,485

The carrying value of land and buildings comprises:

	2019 £	2018 £
Freehold land	260,000	260,000
	260,000	260,000

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Tangible fixed assets

(Continued)

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

	2019 £	2018 £
Plant and machinery	384,036	444,191
	<u>384,036</u>	<u>444,191</u>
Depreciation charge for the year in respect of leased assets	39,933	86,219

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.

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:

	2019 £	2018 £
Cost	612,300	612,300
Accumulated depreciation	223,844	215,160
Carrying value	<u>388,456</u>	<u>397,140</u>

The revaluation surplus is disclosed in note 11.

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,437,545	1,935,976
Corporation tax recoverable	92,374	-
Other debtors	13,417	27,807
Prepayments and accrued income	1,796	9,679
	<u>2,545,132</u>	<u>1,973,462</u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Obligations under finance leases	71,561	113,738
Trade creditors	2,392,763	1,637,428
Corporation tax	54,127	65,757
Other taxation and social security	362,187	262,361
Other creditors	179,906	225,868
Accruals and deferred income	148,955	113,189
	<u>3,209,499</u>	<u>2,418,341</u>

Hire purchase commitments are secured on the asset to which they relate.

7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Obligations under finance leases	206,292	154,020
	<u>206,292</u>	<u>154,020</u>

Hire purchase commitments are secured on the asset to which they relate.

8 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	219,000	176,000
	<u>219,000</u>	<u>176,000</u>

9 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 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	208,000	165,000
Property revaluations	11,000	11,000
	<u>219,000</u>	<u>176,000</u>

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Deferred taxation		(Continued)
		2019
		£
Movements in the year:		
Liability at 1 April 2018		176,000
Charge to profit and loss		43,000
Liability at 31 March 2019		219,000

10 Called up share capital		2019	2018
		£	£
Ordinary share capital			
Issued and fully paid			
2,000 Ordinary shares of £1 each		2,000	2,000

11 Revaluation reserve		2019	2018
		£	£
At beginning of year		624,710	640,988
Deferred tax on revaluation of tangible assets		-	6,500
Transfer to retained earnings		(22,315)	(22,778)
At end of year		602,395	624,710

12 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 David Webb FCA.
The auditor was Edwards.

HICKMAN & LOVE (TIPTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Related party transactions

Hy-Tops Limited is a company under common directorship.

During the year the company sold materials on normal commercial terms to Hy-Tops Limited amounting to £138 (2018: £248).

During the year Hy-Tops Limited was recharged by the company £14,043 (2018: £79,552) for motoring, premises and administrative expenses.

Included within other creditors payable within one year is a balance due to Hy-Tops Limited amounting to £165,284 (2018: £167,971).

14 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 2019 (2018: £Nil).

15 Ultimate controlling party

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

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.