Registration number: 01123765

HEREFORD INDUSTRIAL SUPPLY COMPANY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Young & Co
Chartered Accountants
Bewell House
Bewell Street
Hereford
Herefordshire
HR4 0BA

Hereford Industrial Supply Company Ltd

(Registration number: 01123765)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Goodwill	4	938	269
Tangible assets	5	352,738	318,099
Investments	6	83,600	173,611
		436,338	491,710
Current assets			
Stocks	7	386,546	323,058
Debtors	8	434,710	388,086
Cash at bank and in hand		50,304	33,414
		871,560	744,558
Creditors: Amounts falling due within one year	9	(495,815)	(441,627)
Net current assets		375,745	302,931
Total assets less current liabilities		813,021	794,910
Creditors: Amounts falling due after more than one year	9	(100,122)	(124,450)
Provisions for liabilities		(6,517)	(5,295)
Net assets		706,382	665,165
Capital and reserves			
Called up share capital	10	6,005	6,005
Profit and loss account		700,377	659,160
Total equity		706,382	665,165

For the financial year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

The notes on pages 3 to 14 form an integral part of these financial statements.

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 19 December 2018

.....

Mr Mark Hyde
Director

The notes on pages 3 to 14 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:
Bewell House
Bewell Street
Hereford
Herefordshire
HR4 0BA

The principal place of business is:
Units 18-20
Three Elms Trading Estate
Hereford
Herefordshire
HR4 9PU

These financial statements were authorised for issue by the director on 19 December 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102, section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

2 Accounting policies (continued)

Adjusting events after the financial period

During the next financial year the director of Hereford Industrial Supply Company Limited took the decision to hive up the trade of W E Wilde & Co Limited.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue from the sale of goods is recognised when goods are delivered and legal title has passed.

Tax

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Depreciation

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates:

Asset class	Depreciation method and rate
Freehold buildings	2% of cost per annum
Motor vehicles	25% of written down value per annum
Plant and machinery	25% of cost per annum
Fixtures and fittings	15% of written down value per annum
Computer equipment	33% of cost per annum

2 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Negative goodwill

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Intangible assets

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows: Software 33% of cost per annum

Amortisation

Amortisation is provided on purchased goodwill in equal instalments, commencing in the year of acquisition at rates estimated to write off its cost over its expected useful economic life which in the opinion of the directors is 3 years.

Asset class	Amortisation method and rate
Software	33% of cost per annum

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.
Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

2 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit and loss as incurred. Net realiasable value is based on the estimated selling price less any estimated completion or selling costs. When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs.The amount of any reversal of any write-down of stocks is recognised ias a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension charge represents the amoynt payable by the company to the fund in respect of the year.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 25 (2017 - 25).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2017	47,876	47,876
Additions acquired separately	1,250	1,250
At 31 March 2018	49,126	49,126
Amortisation		
At 1 April 2017	47,607	47,607
Amortisation charge	581	581
At 31 March 2018	48,188	48,188
Carrying amount		
At 31 March 2018	938	938
At 31 March 2017	269	269

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

4 Intangible assets (continued)

Negative goodwill

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2017	330,538	372,993	55,427	758,958
Additions	-	19,317	39,530	58,847
Disposals	-	-	(430)	(430)
At 31 March 2018	330,538	392,310	94,527	817,375
Depreciation				
At 1 April 2017	72,459	334,936	33,464	440,859
Charge for the year	3,400	13,666	6,766	23,832
Eliminated on disposal	-	-	(54)	(54)
At 31 March 2018	75,859	348,602	40,176	464,637
Carrying amount				
At 31 March 2018	254,679	43,708	54,351	352,738
At 31 March 2017	258,079	38,057	21,963	318,099

Included within the net book value of land and buildings above is £254,679 (2017 - £258,079) in respect of freehold land and buildings.

6 Investments

	2018	2017
	£	£
Investments in subsidiaries	83,600	173,611

Subsidiaries	£
Cost or valuation	
At 1 April 2017	173,611
Revaluation	(102,511)
Additions	12,500
At 31 March 2018	83,600
Provision	
Carrying amount	
At 31 March 2018	83,600
At 31 March 2017	173,611

The director of Hereford Industrial Supply Company Limited took the decision to hive up the trade of Tuff Tools Limited, on 1 April 2017. The revaluation of the investment in Tuff Tools Limited reflects the value of the investment as at 31 March 2018.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

6 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Hereford Steels Limited	United Kingdom	Ordinary	100%	100%
Tuff Tools Limited	United Kingdom	Ordinary	100%	100%
W E Wilde & Co	United Kingdom	Ordinary	100%	100%

The principal activity of Hereford Steels Limited is Dormant

The principal activity of Tuff Tools Limited is Supply and repair power tools

The principal activity of W E Wilde & Co is Supply and repair power tools

The loss for the financial period of Hereford Steels Limited was £100,000 and the aggregate amount of capital and reserves at the end of the period was £130,453.

The profit for the financial period of Tuff Tools Limited was £- and the aggregate amount of capital and reserves at the end of the period was £100.

The loss for the financial period of W E Wilde & Co was £22,511 and the aggregate amount of capital and reserves at the end of the period was £33,209.

7 Stocks

	2018	2017
	£	£
Other inventories	386,546	323,058

8 Debtors

	2018 £	2017 £
Trade debtors	360,625	297,128
Prepayments	74,085	48,004
Other debtors	-	42,954
	434,710	388,086

9 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	11	13,242	2,333
Trade creditors		276,617	174,444
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13	116,240	116,019
Taxation and social security		33,075	56,822
Accruals and deferred income		17,239	10,169
Other creditors		39,402	81,840
		495,815	441,627

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	11	100,122	124,450

10 Share capital

Allotted, called up and fully paid shares

10 Share capital (continued)

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	6,005	6,005	6,005	6,005

11 Loans and borrowings

	2018	2017
	£	£
Non-current loans and borrowings		
Bank borrowings	100,122	124,450

	2018	2017
	£	£
Current loans and borrowings		
Bank borrowings	13,242	2,333

Bank borrowings

Bank loan is denominated in Sterling with a nominal interest rate of %, and the final instalment is due on . The carrying amount at year end is £113,364 (2017 - £116,752).

The bank loan is secured by a debenture over all the company's assets and undertakings

12 Financial commitments, guarantees and contingencies

13 Related party transactions

Summary of transactions with associates

13 Related party transactions (continued)

The company made sales amounting to £17,814 (2017 £1,194) to W E Wilde & Co Limited and made purchases of £2,150 (2017 £498) from W E Wilde & Co Limited, a wholly owned subsidiary. The company made management recharges amounting to £6,000 (2017 £8,200) to W E Wilde & Co Limited. The amount outstanding at the end of the year was £14,213 (2017 £8,200) due to the company. The loan is is repayable on demand.

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.