

# HATCHER COMPONENTS LIMITED

UNAUDITED

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FOR THE YEAR ENDED 31 JANUARY 2017

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# HATCHER COMPONENTS LIMITED

## COMPANY INFORMATION

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | P H Betts<br>J I G Betts<br>M J Herbert   |
| <b>Company secretary</b>   | J I G Betts   |
| <b>Registered number</b>   | 01025842  |
| <b>Registered office</b>   | Broadwater Road<br>Framlingham<br>Suffolk<br>IP13 9LL   |
| <b>Independent auditor</b> | Scrutton Bland LLP<br>Chartered Accountants & Statutory Auditor<br>Fitzroy House<br>Crown Street<br>Ipswich<br>Suffolk<br>IP1 3LG |
| <b>Bankers</b>             | Barclays Bank Plc<br>PO Box 216<br>Brightwell Court<br>Martlesham Heath<br>Ipswich<br>Suffolk<br>IP5 3PW                          |

# **HATCHER COMPONENTS LIMITED**

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**HATCHER COMPONENTS LIMITED**  
**REGISTERED NUMBER:01025842**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2017**

|   | Note | 2017<br>£               | 2016<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Intangible assets                                       | 5    | 23,257                  | 13,500                  |
| Tangible assets   | 6    | 658,331                 | 574,206                 |
| <b>Current assets</b>                                   |      |                         |                         |
| Stocks  | 7    | 521,168                 | 395,959                 |
| Debtors: amounts falling due within one year            | 8    | 954,659                 | 1,023,585               |
| Cash at bank and in hand                                | 9    | 518,960                 | 625,613                 |
|   |      | <u>1,994,787</u>        | <u>2,045,157</u>        |
| Creditors: amounts falling due within one year          | 10   | (621,346)               | (658,397)               |
| <b>Net current assets</b>                               |      | <u>1,373,441</u>        | <u>1,386,760</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>2,055,029</u>        | <u>1,974,466</u>        |
| Creditors: amounts falling due after more than one year | 11   | (23,505)                | -                       |
| <b>Provisions for liabilities</b>                       |      |                         |                         |
| Deferred tax  | 14   | (12,127)                | (5,894)                 |
| <b>Net assets</b>                                       |      | <u><u>2,019,397</u></u> | <u><u>1,968,572</u></u> |

# HATCHER COMPONENTS LIMITED

REGISTERED NUMBER:01025842

## BALANCE SHEET (CONTINUED) AS AT 31 JANUARY 2017

|                             | Note | 2017<br>£        | 2016<br>£        |
|-----------------------------|------|------------------|------------------|
| <b>Capital and reserves</b> |      |                  |                  |
| Called up share capital     |      | 196              | 196              |
| Capital redemption reserve  |      | 16               | 16               |
| Profit and loss account     |      | 2,019,185        | 1,968,360        |
|                             |      | <u>2,019,397</u> | <u>1,968,572</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 comprehensive income 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

14 July 2017

P H Betts  
Director



J I G Betts  
Director



The notes on pages 3 to 13 form part of these financial statements.

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 1. General information

Hatcher Components Limited ("the Company") is a company limited by shares, domiciled and incorporated in England and Wales. The address of the registered office is Broadwater Road, Framlingham, Suffolk, IP13 9LL.

### 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 the Republic of Ireland and the Companies Act 2006 and FRC abstracts.

The directors reserve the right to voluntarily amend the financial statements if proved to be defective in accordance with section 454 of the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover includes revenue earned from the sale of goods and amounts recoverable on long-term contracts.

Turnover from sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point of dispatch.

#### 2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 2. Accounting policies (continued)

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line or reducing balance methods.

Depreciation is provided on the following basis:

|                       |   |
|-----------------------|---|
| Plant and machinery   | - over 10 years                             |
| Motor vehicles        | - over 4 years / 25 to 30% reducing balance |
| Fixtures and fittings | - over 3 and 5 years                        |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.6 Debtors

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

#### 2.7 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.

#### 2.8 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.

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 2. Accounting policies (continued)

#### 2.8 Financial instruments (continued)

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 the Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

#### 2.9 Creditors

Short term creditors are measured at the transaction 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.

#### 2.10 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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.



# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 2. Accounting policies (continued)

#### 2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

#### 2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

#### 2.13 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.14 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### 2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

#### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 2. Accounting policies (continued)

#### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2016 - ).

### 4. Employees

Staff costs, including directors' remuneration, were as follows:

|                                     | 2017<br>£        | 2016<br>£        |
|-------------------------------------|------------------|------------------|
| Wages and salaries                  | 1,571,040        | 1,449,493        |
| Social security costs               | 150,911          | 141,475          |
| Cost of defined contribution scheme | 10,806           | 14,636           |
|                                     | <u>1,732,757</u> | <u>1,605,604</u> |

The average monthly number of employees, including directors, during the year was 67 (2016 - 56).

## HATCHER COMPONENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 5. Intangible assets

|                       | Computer<br>Software<br>£ |
|-----------------------|---------------------------|
| <b>Cost</b>           |                           |
| At 1 February 2016    | 13,500                    |
| Additions             | 20,715                    |
| At 31 January 2017    | <u>34,215</u>             |
| <b>Amortisation</b>   |                           |
| Charge for the year   | 10,958                    |
| At 31 January 2017    | <u>10,958</u>             |
| <b>Net book value</b> |                           |
| At 31 January 2017    | <u>23,257</u>             |
| At 31 January 2016    | <u>13,500</u>             |

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

### 6. Tangible fixed assets

|                           | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Total<br>£ |
|---------------------------|---------------------------|-----------------------------|------------------------|-------------------------------|------------|
| <b>Cost or valuation</b>  |                           |                             |                        |                               |            |
| At 1 February 2016        | 539,201                   | 244,731                     | 31,451                 | 81,449                        | 896,832    |
| Additions                 | 39,831                    | 5,178                       | 44,790                 | 10,347                        | 100,146    |
| Disposals                 | -                         | (209,438)                   | (15,451)               | (66,807)                      | (291,696)  |
| Transfers between classes | -                         | (186)                       | -                      | 186                           | -          |
| At 31 January 2017        | 579,032                   | 40,285                      | 60,790                 | 25,175                        | 705,282    |
| <b>Depreciation</b>       |                           |                             |                        |                               |            |
| At 1 February 2016        | -                         | 216,954                     | 26,968                 | 78,704                        | 322,626    |
| Charge for the period     | -                         | 3,927                       | 7,753                  | 4,341                         | 16,021     |
| Disposals                 | -                         | (209,438)                   | (15,451)               | (66,807)                      | (291,696)  |
| Transfers between classes | -                         | (8)                         | -                      | 8                             | -          |
| At 31 January 2017        | -                         | 11,435                      | 19,270                 | 16,246                        | 46,951     |
| <b>Net book value</b>     |                           |                             |                        |                               |            |
| At 31 January 2017        | 579,032                   | 28,850                      | 41,520                 | 8,929                         | 658,331    |
| At 31 January 2016        | 539,201                   | 27,777                      | 4,483                  | 2,745                         | 574,206    |

### 7. Stocks

|                                     | 2017<br>£ | 2016<br>£ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables       | 333,396   | 230,773   |
| Work in progress (goods to be sold) | 10,877    | 29,336    |
| Finished goods and goods for resale | 176,895   | 135,850   |
|                                     | 521,168   | 395,959   |

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

### 8. Debtors

|                                    | 2017<br>£      | 2016<br>£        |
|------------------------------------|----------------|------------------|
| Trade debtors                      | 794,909        | 860,202          |
| Amounts owed by group undertakings | 115,664        | 119,767          |
| Other debtors                      | -              | 1,197            |
| Prepayments and accrued income     | 44,086         | 31,247           |
| Tax recoverable                    | -              | 11,172           |
|                                    | <u>954,659</u> | <u>1,023,585</u> |

### 9. Cash and cash equivalents

|                          | 2017<br>£      | 2016<br>£      |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 518,960        | 625,613        |
| Less: bank overdrafts    | (1,878)        | -              |
|                          | <u>517,082</u> | <u>625,613</u> |

### 10. Creditors: Amounts falling due within one year

|   | 2017<br>£      | 2016<br>£      |
|---|----------------|----------------|
| Bank overdrafts   | 1,878          | -              |
| Trade creditors   | 415,888        | 365,812        |
| Other taxation and social security                          | 122,172        | 175,903        |
| Obligations under finance lease and hire purchase contracts | 7,553          | -              |
| Other creditors   | 31,492         | 36,672         |
| Accruals and deferred income                                | 42,363         | 80,010         |
|   | <u>621,346</u> | <u>658,397</u> |

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

### 11. Creditors: Amounts falling due after more than one year

|  | 2017<br>£     | 2016<br>£ |
|--|---------------|-----------|
| Net obligations under finance leases and hire purchase contracts | <u>23,505</u> | <u>-</u>  |

#### Secured loans

Amounts due on finance leases and hire purchase contracts are secured over the assets to which they relate.

### 12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

|                   | 2017<br>£     | 2016<br>£ |
|-------------------|---------------|-----------|
| Within one year   | 7,553         | -         |
| Between 1-2 years | 6,787         | -         |
| Between 2-5 years | 16,718        | -         |
|                   | <u>31,058</u> | <u>-</u>  |

### 13. Financial instruments

|   | 2017<br>£        | 2016<br>£        |
|---|------------------|------------------|
| <b>Financial assets</b>   |                  |                  |
| Financial assets that are debt instruments measured at amortised cost | <u>910,573</u>   | <u>981,166</u>   |
| <b>Financial liabilities</b>  |                  |                  |
| Financial liabilities measured at amortised cost                      | <u>(488,567)</u> | <u>(482,494)</u> |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed from group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other creditors and accruals.

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

### 14. Deferred taxation

|                               | 2017<br>£       |
|-------------------------------|-----------------|
| At beginning of year          | (5,894)         |
| Charged to the profit or loss | (6,233)         |
| <b>At end of year</b>         | <b>(12,127)</b> |

The provision for deferred taxation is made up as follows:

|                                | 2017<br>£ |
|--------------------------------|-----------|
| Accelerated capital allowances | (14,543)  |
| Other timing differences       | 2,416     |

### 15. 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 £4,670 (2016 - £14,636). Contributions totalling £12 (2016 - £1,415) were payable to the fund at the balance sheet date

### 16. Commitments under operating leases

At 31 January 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 2017<br>£      | 2016<br>£      |
|--|----------------|----------------|
| Not later than 1 year                        | 65,000         | 65,000         |
| Later than 1 year and not later than 5 years | 214,099        | 279,099        |
|  | <b>279,099</b> | <b>344,099</b> |

# HATCHER COMPONENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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### 17. Related party transactions

During the year the company paid its parent company management charges of £424,750 (2016 - £376,000).

During the year the company surrendered research and development tax credits to its parent company of £Nil (2016 - £50,928) for a corresponding payment of £Nil (2016 - £50,928).

The company has surrendered a tax credit of £37,362 (2016 - £Nil) to its fellow subsidiary, Broadwater Mouldings Limited, in return for a corresponding subvention payment of £37,362 (2016 - £Nil).

At the year end the company had amounts owed from group undertakings of £115,664 (2016 - £119,767).

### 18. Controlling party

The immediate controlling party is P H Betts (Holdings) Limited. The ultimate controlling party is P H Betts. P H Betts (Holdings) Limited is a company registered in England and Wales. The consolidated financial statements, which include the results of the company, are available to the public and may be obtained from Companies House.

### 19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

### 20. Audit report

The audit report signed by Sharon Gravener (Senior Statutory Auditor), for and on behalf of Scrutton Bland, was unqualified.