

Company Registration No. 09565046 (England and Wales)

HSSMI LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

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HSSMI LIMITED

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HSSMI LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		62,436		116,364
Investments	4		5		5
			<u>62,441</u>		<u>116,369</u>
Current assets					
Debtors	6	682,199		769,950	
Cash at bank and in hand		946		224,005	
		<u>683,145</u>		<u>993,955</u>	
Creditors: amounts falling due within one year	7	(694,106)		(703,098)	
Net current (liabilities)/assets			<u>(10,961)</u>		<u>290,857</u>
Total assets less current liabilities			<u>51,480</u>		<u>407,226</u>
Reserves					
Revaluation reserve	9	508,241		508,241	
Income and expenditure account		(456,761)		(101,015)	
Members' funds			<u>51,480</u>		<u>407,226</u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 26 November 2020 and are signed on its behalf by:

A Bindel
Director

Company Registration No. 09565046

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

HSSMI Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Bagel Factory, Units A-C, 52-54 White Post Lane, London, E9 5EN.

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 have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company will continue in business for the foreseeable future.

At the date these financial statements have been approved, the global economy was in the depths of the COVID-19 pandemic. The directors are continually evaluating the extent to which it may affect the company's operations in both the short and long term. Measures are in place to mitigate any impact on the business, and the directors are confident as to the long term viability of the business.

1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

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 Leasehold	
Fixtures, fittings & equipment	25% reducing balance

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 surplus or deficit.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.9 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 51 (2018 - 58).

	2019 Number	2018 Number
Total	51	58

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	-	377,415	377,415
Additions	11,744	13,848	25,592
	<u>11,744</u>	<u>391,263</u>	<u>403,007</u>
At 31 December 2019			
Depreciation and impairment			
At 1 January 2019	-	261,051	261,051
Depreciation charged in the year	195	79,325	79,520
	<u>195</u>	<u>340,376</u>	<u>340,571</u>
At 31 December 2019			
Carrying amount			
At 31 December 2019	11,549	50,887	62,436
	<u>11,549</u>	<u>50,887</u>	<u>62,436</u>
At 31 December 2018	-	116,364	116,364
	<u>-</u>	<u>116,364</u>	<u>116,364</u>

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Fixed asset investments

	2019	2018
	£	£
Investments	5	5
	<u>5</u>	<u>5</u>

Fixed asset investments comprise the company's shareholding in its 100% owned subsidiaries HSSMI Trading Limited, DETC Limited and The Cobot Design and Certification Centre Limited.

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019 & 31 December 2019	5
Carrying amount	
At 31 December 2019	5
	<u>5</u>
At 31 December 2018	5
	<u>5</u>

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
DETC Limited	England & Wales	Ordinary	100.00
HSSMI Trading Limited	England & Wales	Ordinary	100.00
The Cobot Design and Certification Centre Limited	England & Wales	Ordinary	100.00

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Income debtors	590,024	662,082
Other debtors	92,175	107,868
	<u>682,199</u>	<u>769,950</u>

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	910	-
Trade creditors	74,171	142,527
Amounts owed to group undertakings	279,396	301,440
Taxation and social security	193,869	65,262
Other creditors	145,760	193,869
	<u>694,106</u>	<u>703,098</u>

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

9 Revaluation reserve

	2019 £	2018 £
At beginning and end of year	<u>508,241</u>	<u>508,241</u>

Other reserves comprises the total assets and liabilities transferred to the company by Centre for Engineering and Manufacturing Excellence Limited. The consideration for these assets is the assumption, satisfaction and discharge of HSSMI Limited of the liabilities taken on.

For a period of six years since the transfer, HSSMI Limited is not permitted to distribute any assets or make a distribution of dividends to its members on winding up or otherwise, without written consent of the above named company.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
	<u>1,380,515</u>	<u>84,000</u>

HSSMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Related party transactions

The company has taken advantage of the exemption available in FRS102 'Related party disclosures' whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

At the balance sheet date the company owed £279,396 to its subsidiary HSSMI Trading Limited (2018: £301,440 owed to).

During the year the subsidiary HSSMI Trading Limited donated £458,909 to HSSMI Limited to assist in the funding of its charitable activities.

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.