

DAVID HARDIE ENGINEERING LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

**Company Registration No. SC162759 (Scotland)
PAGES FOR FILING WITH REGISTRAR**

DAVID HARDIE ENGINEERING LTD

COMPANY INFORMATION

Directors	Mr David Hardie
Secretary	Mrs Fiona Hardie
Company number	SC162759
Registered office	Braeside Kirkgunzeon Dumfries DG2 8LA
Auditor	William Duncan + Co Ltd 30 Miller Road Ayr Ayrshire KA7 2AY
Business address	No 1 Irongray Road Dumfries Dumfriesshire DG2 0HS
Bankers	Bank of Scotland 91 High Street Dumfries DG1 2BN
Solicitors	JHS Law 8/10 Bank Street Dumfries Dumfries & Galloway DG1 2NS

DAVID HARDIE ENGINEERING LTD

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DAVID HARDIE ENGINEERING LTD

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks		98,000		-	
Debtors	3	1,936,367		1,976,830	
Cash at bank and in hand		870,803		752,956	
		<u>2,905,170</u>		<u>2,729,786</u>	
Creditors: amounts falling due within one year	4	<u>(1,896,573)</u>		<u>(1,627,283)</u>	
Net current assets			<u>1,008,597</u>		<u>1,102,503</u>
Capital and reserves					
Called up share capital	5		50,000		50,000
Profit and loss reserves			<u>958,597</u>		<u>1,052,503</u>
Total equity			<u>1,008,597</u>		<u>1,102,503</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 and signed by the director and authorised for issue on 22 February 2021

Mr David Hardie
Director

Company Registration No. SC162759

DAVID HARDIE ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

David Hardie Engineering Ltd is a private company limited by shares incorporated in Scotland. The registered office is Braeside, Kirkgunzeon, Dumfries, DG2 8LA.

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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' - Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Hardie Holdings Limited. These consolidated financial statements are available from its registered office, Braeside, Kirkgunzeon, Dumfries, DG2 8LA.

1.2 Going concern

Due to the current COVID 19 pandemic it has created significant uncertainty in the economy. At the date of these financial statements being approved the country is slowly emerging from lockdown, with social distancing rules having to be adhered to.

The company remains profitable post year end and continues to be in a strong financial position. Therefore, the directors have a reasonable expectation that the company will continue for the foreseeable future and accordingly the going concern basis has been adopted in preparing the financial statements.

DAVID HARDIE ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable for services provided in the period net of VAT and trade discounts.

In addition, profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 Stock and work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.5 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.

1.6 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.

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.

DAVID HARDIE ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable.

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.

1.9 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.

1.10 Retirement benefits

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

2 Employees

The average number of persons (including directors) employed by the company during the year was 57 (2019 - 54).

DAVID HARDIE ENGINEERING LTD

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

3 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	854,885	587,590
Other debtors	1,081,482	1,389,240
	<u>1,936,367</u>	<u>1,976,830</u>

4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	619,912	501,231
Amounts owed to group undertakings	935,294	762,937
Taxation and social security	100,345	124,648
Other creditors	241,022	238,467
	<u>1,896,573</u>	<u>1,627,283</u>

5 Called up share capital

	2020	2019
	£	£
Ordinary share capital Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

6 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 Robert Fergusson CA.
The auditor was William Duncan + Co Ltd.

7 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

DAVID HARDIE ENGINEERING LTD

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

7 Related party transactions (Continued)

	2020 £	2019 £
Plant and management charges	400,000	400,000

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts owed to/(from) related parties		
Plant and management charges	935,294	762,937

8 Parent company

The parent company of David Hardie Engineering Ltd is Hardie Holdings Ltd and its registered office is Braeside, Kirkgunzeon, Dumfries, DG2 8LA.

9 Post balance sheet events

At 23 March 2020 formal restrictions were put in place by the Government to slow the spread of COVID 19, which resulted in the group halting its activities temporarily and placing a number of employees on furlough. This was relatively short lived and operations are now back to normal albeit with social distancing restrictions in place.

