

Registered number: 01257303

HAYLEY GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

THURSDAY



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# HAYLEY GROUP LIMITED

## COMPANY INFORMATION

<b>Directors</b>	B C Noakes (retired 2 May 2024) G N Brinton (retired 2 May 2024) J Holden (resigned 1 April 2024) M B Jones (resigned 14 October 2024) B E Noakes W H Fletcher P Massonneau D Osborne G J Quinlan J R Toremans (resigned 31 December 2024) J N Brinton M J Harrold P Ilic (resigned 30 November 2024) V Dubois (appointed 1 January 2025)
<b>Registered number</b>	01257303
<b>Registered office</b>	Shelah Road Halesowen West Midlands B63 3XL
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham 4th Floor Two Chamberlain Square Birmingham West Midlands B3 3AX
<b>Bankers</b>	Royal Bank of Scotland 79-83 Colmore Row Birmingham B3 2BA

# HAYLEY GROUP LIMITED

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## HAYLEY GROUP LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### Principal activity

The principal activity of the company was that of the sale and distribution of engineering products including, but not limited to, bearings, seals, power transmissions, fasteners, fluid, power tools, lubricants, protective clothing, janitorial supplies, pumps and gearbox repairs.

#### Business review and key performance indicators

The company's key performance indicators for the year ended 31 December 2024 are turnover which was £244.0m (2023: £232.8m) and profit before tax which was £22.9m (2023: £24.9m). Net assets at 31 December 2024 were £84.6m (2023: £77.5m). The directors are satisfied with the company's result and expect the performance seen during the period to be maintained. The business has continued to grow both levels of turnover and profitability.

The directors continue to focus on maximising the gross profit margins of the group, which is seen as a key performance indicator for the business.

During the year new product ranges and stockholding was introduced in order to increase the service and offering to existing and new customers. This ensures that the company continues to service customers at the highest possible standard. For the year ended 31 December 2024 the company had a stock holding value of £42.2m (2023: £38.0m).

To further expand the business the directors have reviewed the best options for the group in order to open new branches in strategic locations, to enhance the national coverage of the group. During the year this strategy has been implemented with the opening of a new branch to further expand the group's operations. This strategy will in turn continue to enhance the group's offering to customers and fulfil the group's policy of Stock : Service : People.

There are a number of non-financial key performance indicators, which are not associated with a monetary value, but are monitored by the group. An example of these indicators include customer satisfaction, brands, customer conversion rates, customer retentions, employee satisfaction, market share and others to ensure the Group's highest standard levels are maintained.

#### Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The success of the business is affected by economic cycles, particularly in the engineering and transport infrastructure sectors in which the company's customers operate. This risk is partially mitigated by the geographical spread of the company's branches and no single customers representing a significant proportion of turnover. Pressures arising from the general economic situation, together with the highly competitive market in which the company operates, results in constant pressure on margins. The risk is mitigated by high levels of customer service provided.

#### Financial risk management objectives and policies

The company's principal financial instruments comprise cash at bank, invoice discounting facilities and finance lease agreements, along with items such as trade debtors and creditors which arise directly from its operations. The main purpose of these instruments is to finance the company's operations. During the year the group has been exposed to credit risk, liquidity risk and foreign exchange risk.

#### Foreign exchange risk

Where necessary, the company places forward contracts for foreign exchange in order to minimise exposure to exchange rate fluctuations.

## HAYLEY GROUP LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### **Credit risk**

The company's principal financial assets are cash at bank and trade debtors, which represent the most significant exposure to credit risk in relation to financial assets. Credit risk on customers is managed by continually evaluating the creditworthiness of individual customers. Trade debtors are stated net of provisions for specific doubtful debts, which are based on the circumstances of individual customers in the context of the prevailing economic climate.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

#### **The environment**

The company has continued to adopt policies and procedures, which take into account the need to preserve and protect the environment. The directors are committed to compliance and environmental best practice in all aspects of the business. This is demonstrated through achievement of ISO 14001:2015, environmental accreditation as part of the group's Integrated Management System, and a continuous improvement programme.

#### **Occupational health and safety**

The company has shown its commitment to the health, safety and welfare of its staff and external parties by developing a clearly defined occupational health and safety management system. By having a clearly defined management system in place to identify and control health and safety risks, the company is able to minimise risks to their workforce, visitor or external contractors on their premises.

This has been demonstrated with the Management System being audited by an independent certification body and has been certified to ISO 45001:2018 standards.

The standards enable the group to continually review and improve occupational health and safety and provides a framework to meet our legal obligations in the workplace.

#### **Corporate social responsibility**

The company is committed to sound corporate responsibility policies and practices as an integral part of the business. The alignment of the company's values and strategy and responsible and ethical business policies and practices throughout the company's supply chain helps enhance employee engagement and is a driver for sustainable growth and success.

#### **Company's policy for payment of creditors**

The company policy in relation to payment of suppliers is to seek the best possible terms from suppliers appropriate to its business and in placing orders gives consideration to quality, price and terms of payment which will be agreed with suppliers when the details of the transactions are settled. The company will continue to honour its contractual obligations and pay creditors on the dates agreed in contracts and purchase orders. The payment profile for the period was in line with the previous year at 60 days.

#### **Quality assurance**

The company is committed to providing the highest quality service to its valued customer by meeting or exceeding their expectations for product range, quality and performance, timely delivery of products and services and the continuous improvement of processes and systems. The group has invested in an online integrated Management System, ISO-Active, which enables the group to continue to meet the exacting requirements of ISO 9001:2015

## HAYLEY GROUP LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### **Employee involvement**

The company employed around 1,016 people in the UK as at 31 December 2024 (2023: 939). The company considers the skills and support from employees to be extremely important to the business.

The company is committed to engaging with employees on a broad range of issues, and communicates with employees in a variety of ways appropriate to the circumstances. This includes communicating and sharing information with employees through formal team briefings and discussions, informal team meetings, email, the group's email intranet and in-house newsletters.

The company creates strong foundations for the sustainability of its business by ensuring equal employment opportunities and equal access to development opportunities. The group remains committed to providing a work environment free from harassment and discrimination and to treating people with disabilities fairly in relation to job applications, training, promotion and career development.

The company is committed to meeting all health and safety legislation, and approved Codes of Practice provided by the Health and Safety Executive. Each business within the group is responsible for ensuring the company health and safety policy is maintained.

#### **Section 172(1) statement**

The board of directors consider, both individually and together, that they have acted in a way they consider to be in good faith, and would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the shareholders and matters set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 31st December 2024.

The directors believe that key stakeholders of the company includes employees, shareholders, customers, suppliers and the local community, and the business plan that the directors have adopted includes the following key matters that are relevant to complying with S172(1) of the Companies Act 2006.

#### Long term decisions

Our continuing plan and strategies are designed to have a long-term beneficial impact on the company to both continue to grow the reputation of the company in the market place, employ experienced personnel throughout the business and provide the best service and expertise to our existing and new customers.

During 2024 the board has continued to review the best options for the company in order to target specific locations for expansion of the branch network, as well as the possibility of the strategic expansion of existing branches into larger premises.

Consequently, during the year, the board has successfully expanded into new locations to support new and existing customers and has also commenced the construction of a new warehouse and reorganisation on the site of its headquarters, which will ensure the longevity of the company in its current location. This project is designed to create a bespoke national distribution centre for the company and will ensure that it is able to increase its offerings to customers through the enhanced support and distribution to the current and future branch network. It is expected that the warehouse building will be completed towards the end of 2025 and become operational in spring 2026 following an extensive internal fit out.

The board, therefore, continues to see this as a key to the long-term strategy of the company and has been pleased to have opened its new location within the year and is currently in negotiations to relocate an existing branch to bigger premises to further expand the company's operations. The company's long term strategy is to continue this policy in order to work towards the goal of full national coverage across the UK.

## HAYLEY GROUP LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### Employees

Our employees are fundamental to the delivery of the plan and major focus of our strategy, as the group values all of our people, and are viewed as one of the key driving forces behind our business. We continue to aim to be a responsible employer in our approach to the pay, benefits and equal opportunities that our employees receive.

The health, safety and well-being of our employees is one of the primary considerations in the way that the company does business. The company continues to provide support to our people physically, mentally and financially.

The company also considers the importance of providing a pleasant, clean, safe and modern working environment for all of its employees. To this extent the company continues to maintain, improve and make more efficient, where possible, all of its buildings to ensure that this goal continues to be achieved.

See Employee involvement and Occupational Health and Safety sections of the Strategic report for further details regarding how the Directors engage with employees and have regard to their interests.

#### Fostering good relations with customers and suppliers and maintaining a reputation for a high standard of business conduct

Our intention as a board of Directors is to behave responsibly and ensure that management continue to operate the business in a responsible manner and in line with the code of conduct and anti-corruption system implemented across the Group by our parent company Descours & Cabaud SA.

The company's adopted advisory code of conduct aims for maintaining a reputation for a high standard of business conduct and service. When launched it was made available to all members of staff throughout Hayley and continues to be provided to new employees joining the Group and accessible via the Human Resources online platform.

As a company we continue to have a strong commitment to compliance and an outstanding reputation for approaching and conducting business in an ethical and fair way.

This approach to conducting business in turn enables the company to continue to build and enhance the distinguished reputation of the Hayley and Dexis Europe brand and the Descours & Cabaud Group for the present time and the years ahead.

Fostering positive and strategic long-term relationships with our customers and suppliers has been key to the company's success and the board recognises the need to continue to develop and maintain such relationships. High quality service to customers is a key value and philosophy of the Hayley Group and central to how business is conducted and differentiates us from our competitors.

The company's Directors, and employees at all levels in the business, are in regular ongoing communication with their counterparts from suppliers and customers. Key issues are escalated to the Directors to ensure that the company's values and standards are consistent throughout.

See the Corporate social responsibility section and company's policy for payment of creditors section of the Strategic report for further detail of our engagement with suppliers.

#### The need to act fairly as between members of the company

Representatives of all shareholder parties are on the board of the company and are engaged in the running, overseeing and making key decisions for the business. The board conduct formal meetings, on a regular basis, to discuss the business in depth and make decisions to the continued success of the group.

## HAYLEY GROUP LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### Impact of the company's operations on the community and the environment

As a responsible business, the Hayley Group recognises that its operations have potential direct and indirect impacts on the environment. Consequently, the company encourages efficiency across its branch network in order to limit any exposure to the environment and maintain the standards as set out in ISO 14001:2015.

Our Environmental Sustainable Policy seeks to purchase and supply goods and services in a way that is not harmful to the environment. The company promotes the reduction in energy consumption, minimising waste disposed to landfill, by reducing, reusing and recycling, reducing CO2 emissions, encouraging our suppliers to adopt environmental best practice and playing a positive role in developing sustainability.

The company encourages the branch network to engage and support the local communities. This is conducted by way of sponsorship of local clubs, teams and organisations as well as participating in local community events. The company also supports and donates to local, national and international charities via direct donations and participating in charity day events.

The company continues to be committed to the wellbeing of the health, safety and career progression of our employees. We recognise that local people and knowledge is important to the success of our branch network and consequently our recruitment policy is to recruit within the local area.

In order to advance and develop our employees' knowledge and expertise we have continued to successfully operate and expand the offerings of the Hayley Group Training Academy which is available to all employees and operates a wide range of courses and training modules.

The company has previously announced its commitment to the Science-Based Target Initiative's (SBTi) Business Ambition for 1.5°C. This represents the highest level of ambition that companies can take under the SBTi, and signals Hayley Group's strong intent to be part of the collective global effort to limit warming in-line with the Paris Agreement.

In collaboration with third-party consultancy support, the company will design and submit a set of specific (near-term and long-term) targets across scope 1, 2 and 3 emissions, consistent with the latest science-based net-zero guidance (see SBTi Net-Zero Standard). Alongside the validation process, the company will produce a Net-Zero Strategy, underpinned by robust carbon and financial modelling, to give a credible pathway to achieve its carbon reduction targets.

This report was approved by the board and signed on its behalf.



**J N Brinton**  
Director

Date: 26 March 2025

## HAYLEY GROUP LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

#### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £18m (2023: £21m).

Dividends of £11m were paid during the year (2023: £17m).

#### Directors

The directors who served during the year were:

B C Noakes (retired 2 May 2024)  
G N Brinton (retired 2 May 2024)  
J Holden (resigned 1 April 2024)  
M B Jones (resigned 14 October 2024)  
B E Noakes  
V Dubois (appointed 1 January 2025)  
W H Fletcher  
P Massonneau  
D Osborne  
G J Quinlan  
J R Toremans (resigned 31 December 2024)  
J N Brinton  
M J Harrold  
P Ilic (resigned 30 November 2024)

## HAYLEY GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### Going concern

After making enquiries and preparing integrated profit and loss account and cash flow forecasts for the wider Hayley group for one year from the date the financial statements are signed, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the company, with any required support from the wider group, has adequate resources to continue in existence for the foreseeable future. The preparation of the forecasts has been produced using known and unknown certainties, as described in more detail below.

Management have continued to implement logistical and organisational changes to underpin the group's strengths and maintain its resilience to being negatively affected from changing global and local events and economic conditions, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity.

For these reasons the generation of sufficient operating cash flows remain a potential risk, however management believe the group and company will generate sufficient working capital and cash flows to continue in operational existence for the foreseeable future.

In making this assessment the board of directors has continued to regularly undertake a thorough review of the Hayley group's budgets and forecasts and has produced detailed and realistic cash flow projections based on the group's existing significant cash resources as at the 25 March 2025 and an unused invoice discounting facility of £12m.

These cash flow projections, when considered in conjunction with the group's significant existing cash balances and available facilities, demonstrate that the Hayley group has sufficient working capital for the foreseeable future. In light of the assessment and sensitivities prepared, the directors remain of the view that the forecast is achievable.

For the reasons and assumptions used in the cash flow projections the directors are of the opinion that the headroom within the forecast should be sufficient to enable the group and company to operate and meet its liabilities as they fall due for payment throughout the year. The UK parent company, Hayley Group Holding Limited has confirmed that it will draw on its resources to support the company and enable it to continue in operation and meet its liabilities as they fall due for at least a year from the date of approval of these financial statements, and the financial statements have accordingly been prepared on a going concern basis.

#### Future developments

The directors anticipate the business environment will remain competitive, but that the group will remain in its predominant position within the market. The directors believe that the company is in a strong financial position and the risks that have been identified are being well managed. With careful focus on appropriate diversification and development of new product ranges, new customers, expansion of the group operations as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position, along with positive growth expectations.

#### Research and development activities

During the year the group has undertaken projects and services for customers of which the costs associated with these activities can be allowed as qualifying expenditure for Research and Development.

#### Streamlined energy and carbon reporting

The company's Streamlined Energy and Carbon Reporting information is included within the group's Streamlined Energy and Carbon Reporting Statement contained within the directors' report of the consolidated financial statements of the UK parent company, Hayley Group Holding Limited.

#### Matters covered in the strategic report

The business review, engagement with employees, principal risks and uncertainties and financial risk management objectives and policies have been included in the strategic report.

**HAYLEY GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink that reads "James Brinton". The signature is written in a cursive style with a large initial 'J'.

**J N Brinton**  
Director

Date: 26 March 2025

## HAYLEY GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYLEY GROUP LIMITED

#### Opinion

We have audited the financial statements of Hayley Group Limited (the 'company') for the year ended 31 December 2024, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## HAYLEY GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYLEY GROUP LIMITED (CONTINUED)

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## HAYLEY GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYLEY GROUP LIMITED (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**HAYLEY GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYLEY GROUP LIMITED (CONTINUED)**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hodgetts (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor

Cubo Birmingham  
4th Floor  
Two Chamberlain Square  
Birmingham  
West Midlands  
B3 3AX

26 March 2025

**HAYLEY GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
<b>Turnover</b>	4	244,009	232,828
Cost of sales		(158,804)	(153,169)
<b>Gross profit</b>		<u>85,205</u>	<u>79,659</u>
Administrative expenses		(69,104)	(59,878)
Other operating income	5	1,388	45
<b>Operating profit</b>	6	<u>17,489</u>	<u>19,826</u>
Income from shares in group undertakings		5,000	5,000
Interest receivable and similar income	9	372	88
<b>Profit before tax</b>		<u>22,861</u>	<u>24,914</u>
Tax on profit	10	(4,772)	(4,330)
<b>Profit for the financial year</b>		<u><u>18,089</u></u>	<u><u>20,584</u></u>

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

The notes on pages 16 to 33 form part of these financial statements.

**HAYLEY GROUP LIMITED**  
**REGISTERED NUMBER: 01257303**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
<b>Fixed assets</b>			
Intangible assets	12	665	784
Tangible assets	13	12,333	10,790
Investments	14	17,904	17,904
		30,902	29,478
<b>Current assets</b>			
Stocks	15	42,188	37,955
Debtors	16	57,841	50,547
Cash at bank and in hand		15,856	16,071
		115,885	104,573
<b>Creditors: amounts falling due within one year</b>	17	(60,012)	(55,315)
		55,873	49,258
<b>Net current assets</b>		55,873	49,258
<b>Total assets less current liabilities</b>		86,775	78,736
<b>Provisions for liabilities</b>			
Deferred tax	18	(1,775)	(825)
Other provisions	19	(400)	(400)
		84,600	77,511
<b>Net assets</b>		84,600	77,511
<b>Capital and reserves</b>			
Called up share capital	20	566	566
Share premium	21	2,193	2,193
Profit and loss account	21	81,841	74,752
		84,600	77,511
<b>Shareholders' funds</b>		84,600	77,511

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**J N Brinton**  
 Director

Date: 26 March 2025

The notes on pages 16 to 33 form part of these financial statements.

**HAYLEY GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2023</b>	566	2,193	71,092	73,851
Profit for the year	-	-	20,584	20,584
Dividends paid (note 11)	-	-	(16,924)	(16,924)
<b>At 1 January 2024</b>	<u>566</u>	<u>2,193</u>	<u>74,752</u>	<u>77,511</u>
Profit for the year	-	-	18,089	18,089
Dividends paid (note 11)	-	-	(11,000)	(11,000)
<b>At 31 December 2024</b>	<u><u>566</u></u>	<u><u>2,193</u></u>	<u><u>81,841</u></u>	<u><u>84,600</u></u>

The notes on pages 16 to 33 form part of these financial statements.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1. Statutory information

Hayley Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in £'000s.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

This information is included in the consolidated financial statements of Hayley Group Holding Limited as at 31 December 2024 and these financial statements may be obtained from its registered office or directly from Companies House.

##### 2.3 Preparation of consolidated financial statements

The financial statements contain information about Hayley Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Hayley Group Holding Limited, Shelah Road, Halesowen, West Midlands, B63 3XL.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.4 Going concern

After making enquiries and preparing integrated profit and loss and cash flow forecasts for the wider Hayley group for one year from the date the financial statements are signed, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the company, with any required support from the wider group, has adequate resources to continue in existence for the foreseeable future. The preparation of the forecasts has been produced using known and unknown certainties, as described in more detail below.

Management have continued to implement logistical and organisational changes to underpin the group's strengths and maintain its resilience to being negatively affected from changing global and local events and economic conditions, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity.

For these reasons the generation of sufficient operating cash flows remain a potential risk, however management believe the group and company will generate sufficient working capital and cash flows to continue in operational existence for the foreseeable future.

In making this assessment the board of directors has continued to regularly undertake a thorough review of the Hayley group's budgets and forecasts and has produced detailed and realistic cash flow projections based on the group's existing significant cash resources and an unused invoice discounting facility of £12m.

These cash flow projections, when considered in conjunction with the group's significant existing cash balances and available facilities, demonstrate that the Hayley group has sufficient working capital for the foreseeable future. In light of the assessment and sensitivities prepared, the directors remain of the view that the forecast is achievable.

For the reasons and assumptions used in the cash flow projections the directors are of the opinion that the headroom within the forecast should be sufficient to enable the group and company to operate and meet its liabilities as they fall due for payment throughout the year. The UK parent company, Hayley Group Holding Limited has confirmed that it will draw on its resources to support the company and enable it to continue in operation and meet its liabilities as they fall due for at least a year from the date of approval of these financial statements, and the financial statements have accordingly been prepared on a going concern basis.

##### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.6 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

##### 2.7 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

##### 2.8 Finance costs

Finance costs are charged to the profit and loss account 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.

##### 2.9 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

##### 2.10 Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### 2.11 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis through the profit and loss account over 10 years.

##### 2.12 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- straight line over the life of the lease
Motor vehicles	- 25% straight line
Fixtures and equipment	- 10-20% reducing balance
Computer equipment	- 20% straight line (included in fixtures and equipment)

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 profit and loss account.

##### 2.13 Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less accumulated impairment.

##### 2.14 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 weighted average basis.

At each reporting 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 the profit and loss account.

##### 2.15 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.16 Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### 2.17 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### 2.18 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

##### 2.19 Operating leases: the company as a lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 2.20 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.

##### 2.21 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### 2.22 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.23 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 profit and loss account 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.

##### 2.24 Financial instruments

The company only enters into basic financial instrument 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.

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 profit and loss account.

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.

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.

##### 2.25 Dividends

Equity dividends are recognised when they become legally payable.

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, turnover and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

##### Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the company's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of customers.

##### Stock

Certain factors could affect the realisable value of the company's stocks, including customer demand and market conditions. The company considers usage, anticipated sale price, effect of new product introductions, product obsolescence and other factors when evaluating the value.

##### Tangible and intangible assets impairment

Tangible and intangible assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

##### Tangible fixed assets depreciation

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

##### Investments

The investments in subsidiaries are assessed at each reporting date to determine whether there is any indication the assets are impaired. Where there is any indication that an asset has been impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

##### Recoverability of amounts due from group undertakings

Recoverability of amounts due from group undertakings are reviewed for recoverability. If a concern exists as to recoverability, the carrying value is reduced. The directors consider that the group undertakings will be able to fully repay their debts to the company/ Therefore at the date of approval of these financial statements, the directors do not consider that any impairment is required against amounts due from group undertakings.

##### Going concern

When making the assessment upon the company's ability to continue as a going concern, the directors consider various factors, including current trading and market conditions, the expectations of future trading and the ability of the company to operate within available funding facilities, contingent liabilities, and any other relevant facts or circumstances. This assessment covers at least twelve months following the date of approval of the financial statements. Note 2 contains more information in respect of this.

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover by class of business is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Engineering products	244,009	232,828
	<u>244,009</u>	<u>232,828</u>

Analysis of turnover by country of destination:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	234,391	225,976
Rest of Europe	5,921	3,161
Rest of the World	3,697	3,691
	<u>244,009</u>	<u>232,828</u>

**5. Other operating income**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Research and development expenditure credit	1,388	45
	<u>1,388</u>	<u>45</u>

**6. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Depreciation - owned assets	2,131	2,085
(Profit)/Loss on disposal of fixed assets	(84)	28
Goodwill amortisation	119	118
Auditor's remuneration	28	27
Auditor's remuneration - non-audit	6	4
Exchange differences	(257)	(246)
Operating leases: Land and buildings	2,964	2,584
Operating leases: Other	197	165
	<u>2,131</u>	<u>2,085</u>

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Employees**

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

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	38,028	34,951
Social security costs	4,625	4,113
Cost of defined contribution scheme	3,240	2,839
	<u>45,893</u>	<u>41,903</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
All staff (inclusive of directors)	<u>974</u>	<u>918</u>

**8. Directors' remuneration**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration	1,519	1,971
Directors' pension contributions to money purchase schemes	129	107
	<u>1,648</u>	<u>2,078</u>

During the year retirement benefits were accruing to 10 directors (2023: 10) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £325k (2023: £451k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21k (2023: £20k).

**9. Interest receivable and similar income**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Deposit account interest	<u>372</u>	<u>88</u>

HAYLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Taxation

	2024 £000	2023 £000
<b>Corporation tax</b>		
Current tax on profits for the year	3,950	4,500
Adjustments in respect of previous periods	(128)	-
<b>Total current tax</b>	<u>3,822</u>	<u>4,500</u>
<b>Deferred tax</b>		
Timing differences	950	(170)
<b>Total deferred tax</b>	<u>950</u>	<u>(170)</u>
<b>Tax on profit</b>	<u>4,772</u>	<u>4,330</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 23.521%). The differences are explained below:

	2024 £000	2023 £000
Profit before tax	22,861	24,914
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023: 23.521%)	5,715	5,860
<b>Effects of:</b>		
Expenses not deductible for tax purposes	160	114
Income not taxable for tax purposes	(1,597)	(1,187)
Fixed asset timing differences	635	(470)
Other timing differences	(13)	13
Adjustments to tax charge in respect of prior periods	(128)	-
<b>Total tax charge for the year</b>	<u>4,772</u>	<u>4,330</u>

**Factors that may affect future tax charges**

There are no factors affecting future tax charges.

HAYLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Dividends

	2024 £000	2023 £000
Ordinary A shares of 0.99 each Interim	11,000	16,924

12. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2024	6,254
At 31 December 2024	6,254
<b>Amortisation</b>	
At 1 January 2024	5,470
Charge for the year	119
At 31 December 2024	5,589
<b>Net book value</b>	
At 31 December 2024	665
At 31 December 2023	784

HAYLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Tangible fixed assets

	Long leasehold £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 January 2024	7,733	5,933	12,128	25,794
Additions	789	1,768	1,124	3,681
Disposals	-	(556)	-	(556)
At 31 December 2024	<u>8,522</u>	<u>7,145</u>	<u>13,252</u>	<u>28,919</u>
<b>Depreciation</b>				
At 1 January 2024	2,886	4,080	8,038	15,004
Charge for the year	478	865	788	2,131
Disposals	-	(549)	-	(549)
At 31 December 2024	<u>3,364</u>	<u>4,396</u>	<u>8,826</u>	<u>16,586</u>
<b>Net book value</b>				
At 31 December 2024	<u>5,158</u>	<u>2,749</u>	<u>4,426</u>	<u>12,333</u>
At 31 December 2023	<u>4,847</u>	<u>1,853</u>	<u>4,090</u>	<u>10,790</u>

14. Fixed asset investments

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2024 and 31 December 2024	17,904
<b>Net book value</b>	
At 31 December 2024	<u>17,904</u>
At 31 December 2023	<u>17,904</u>

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**14. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Bearing Man Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Sales and distribution of bearings	Ordinary	100%
Advanced Maintenance Supplies Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Sales and distribution of bearings	Ordinary	100%
Hayley Holdings Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Dormant	Ordinary	100%
Hayley Bearing Company Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Sales and distribution of bearings	Ordinary	100%
Albion Leasing (West Midlands) Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Renting and leasing of cars and light motor vehicles	Ordinary	100%
Mercury Holdings (London) Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Non trading holding company	Ordinary	100%
Bearing Transmission and Lubricant Supplies Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Non trading	Ordinary	100%
Swan Industrial Drives Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Non trading	Ordinary	100%
World of Supply Limited	West Point, Second Floor Mucklow Office Park, Mucklow Hill, Halesowen, West Midlands, B62 8DY	Dormant	Ordinary	100%
Mercury Bearings Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Sales and distribution of bearings	Ordinary	100%
Hayley-DIRS Limited	Shelah Road, Halesowen, West Midlands, B63 3XL	Dormant	Ordinary	100%

Through the acquisition of Mercury Holdings (London) Limited, the company has an indirect interest in Mercury Bearings Limited.

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**15. Stocks**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Finished goods	42,188	37,955

An impairment loss of Nil (2023: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**16. Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	47,824	43,974
Amounts owed by group undertakings	5,102	2,500
Other debtors	516	112
Prepayments and accrued income	4,399	3,961
	57,841	50,547

Trade debtors are subject to invoice discounting.

Amounts owed by group undertakings are unsecured with no set repayment date, and do not bear interest. All transactions with group undertakings are at arms length on normal business terms.

**17. Creditors: Amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	38,174	33,536
Amounts owed to group undertakings	5,386	7,914
Amounts owed to related parties	280	288
Other taxes and social security	1,956	2,048
Other creditors	1,233	1,017
Accruals and deferred income	12,983	10,512
	60,012	55,315

The invoice discounting facility and overdrafts of the company and its subsidiaries are secured by a debenture dated 10 February 2010 granted to Royal Bank of Scotland Invoice Finance creating a fixed charge on all purchased debts and fixed and floating charges on all remaining assets of Hayley Group Limited.

Amounts owed to group undertakings are unsecured with no set repayment date, and do not bear interest. All transactions with group undertakings are at arms length on normal business terms.

HAYLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

18. Deferred taxation

	<b>2024</b> <b>£000</b>
At beginning of year	825
Charged to profit or loss	(950)
<b>At end of year</b>	<u>1,775</u>

The provision for deferred taxation is made up as follows:

	<b>2024</b> <b>£000</b>	<b>2023</b> <b>£000</b>
Accelerated capital allowances	1,847	889
Other timing differences	(72)	(64)
	<u>1,775</u>	<u>825</u>

19. Provisions

	<b>Dilapidations</b> <b>£000</b>
At 1 January 2024	400
<b>At 31 December 2024</b>	<u>400</u>

20. Share capital

	<b>2024</b> <b>£000</b>	<b>2023</b> <b>£000</b>
<b>Allotted, called up and fully paid</b>		
500,000 (2023: 500,000) Ordinary A shares of £0.99 each	495	495
500,000 (2023: 500,000) Ordinary B shares of £0.01 each	5	5
66,445 (2023: 66,445) Ordinary shares of £0.99 each	66	66
	<u>566</u>	<u>566</u>

**HAYLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. Reserves**

**Share premium account**

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

Profit and loss account includes all current and prior period retained profits and losses.

**22. Contingent liabilities and cross guarantees**

The Royal Bank of Scotland hold an unlimited multi-party guarantee dated 10 February 2010 executed by Hayley Group Limited, Hayley Holdings Limited, Bearing Man Limited and Advanced Maintenance Supplies Limited over borrowings of £Nil (2023: £Nil).

**23. Pension commitments**

The company operates a defined contribution 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 £3,240k (2023: £2,839k). An amount of £286k (2023: £254k) remains payable at the year end and is included within other creditors.

**24. Leasing agreements**

At 31 December 2024 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Land and buildings</b>		
Not later than 1 year	3,195	2,536
Later than 1 year and not later than 5 years	8,590	6,997
Later than 5 years	1,266	2,248
	13,051	11,781
	13,051	11,781
	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Other</b>		
Not later than 1 year	171	150
Later than 1 year and not later than 5 years	252	210
	423	360
	423	360

## HAYLEY GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25. Related party transactions

The company has taken advantage of the exemption under FRS 102 Related Party Disclosures not to disclose transactions with wholly owned subsidiaries of Hayley Group Holding Limited on the grounds that 100% of the voting rights in these companies are controlled by the company.

##### Other related parties

The company leases premises owned by the HG Pension Scheme, Mediahut Limited and Shelah Properties Limited. Hayley Group Limited is related to these entities by virtue of common shareholding or ownership by B C Noakes. B C Noakes retired as a director of Hayley Group Limited on 1 May 2024. During the year, the company entered into the following transactions with these related parties:

	<b>Creditor</b>	<b>Purchases</b>	<b>Creditor</b>	<b>Purchases</b>
	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Mediahut Limited	-	159	-	206
Shelah Properties Limited	205	293	-	240
HG Pension Scheme	(29)	166	(1)	164

During the year, the company made sales of £841k (2023: £886k) to, and purchases of £7,004k (2023: £5,984k) from companies controlled by Descours & Cabaud SA, the ultimate parent company.

At the balance sheet date the company was owed £538k (2023: £643k) from these companies and was owed £1,343k (2023: £931k) to these companies.

#### 26. Controlling party

The immediate parent company is Hayley Group Holding Limited, a company registered in England and Wales.

The ultimate parent company, by virtue of its 100% ownership of Hayley Group Holding Limited, is Descours & Cabaud SA, a company registered in France.

The results of Hayley Group Limited and its subsidiaries are included in the consolidated accounts of Hayley Group Holding Limited and the consolidated accounts of Descours & Cabaud SA.

There is no single controlling party.