

SKAR PRECISION MOULDINGS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

scruttonbland 

THURSDAY



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COMPANIES HOUSE

SKAR PRECISION MOULDINGS LIMITED

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The following pages do not form part of the statutory financial statements:

SKAR PRECISION MOULDINGS LIMITED

COMPANY INFORMATION

Directors	G M McLellan K D Gant P Denny P M Hill B G McLellan
Company secretary	K D Gant
Registered number	00949310
Registered office	Lady Lane Industrial Estate Hadleigh Ipswich Suffolk IP7 6AZ
Independent auditor	Scrutton Bland Chartered Accountants & Statutory Auditor Fitzroy House Crown Street Ipswich Suffolk IP1 3LG

SKAR PRECISION MOULDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Business review

The company has had another successful year.

The company considers its key financial performance indicators to be growth in turnover, gross profit margin and net profit margin.

Although turnover has only shown modest growth of 1%, the gross margin earned on it has increased from 24.8% to 25.8%. This reflects the directors' focus on controlling costs amid the subdued trading environment.

Overall the company has made a profit before tax of £869,239 representing a 2.6% increase from last year.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks.

Credit risk

The company's credit risk is primarily attributable to recoverability of its debtors, including trade debtors. The directors keep the level of credit provided to customers under review.

Liquidity risk

In order to maintain liquidity and ensure that sufficient funds are available to meet its financial commitments, the directors prepare detailed cash flow forecasts.

Interest risk

The company's bank loan is at a variable interest rate. The directors consider interest payments as part of their cash flow forecasts.

Price risk

The company's main expense is the purchase of raw materials, which are linked to the price of oil. The directors keep price movements under review.

This report was approved by the board on

18th MAY 2015

and signed on its behalf.



K D Gant
Secretary

SKAR PRECISION MOULDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Principal activities

The principal activity of the company is plastic injection moulding.

Results

The profit for the year, after taxation, amounted to £684,611 (2013 - £653,136).

Directors

The directors who served during the year were:

G M McLellan
K D Gant
P Denny
P M Hill
B G McLellan

SKAR PRECISION MOULDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Events since the end of the year

On 23 January 2015, the directors' proposed a final dividend in respect of the year ended 31 December 2014 to be paid on 6 April 2015.

Matters covered in the Strategic report

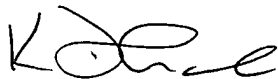
Details of the key risks to which the company is exposed and its use of financial instruments are included in the Strategic Report.

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

This report was approved by the board on 18th MAY 2015 and signed on its behalf.



K D Gant
Secretary

SKAR PRECISION MOULDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO SKAR PRECISION MOULDINGS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of Skar Precision Mouldings Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 19 have been properly prepared in accordance with the regulations made under that section.

Scrutton Bland

Mark Smith (Senior Statutory Auditor)

for and on behalf of

Scrutton Bland

Chartered Accountants

Statutory Auditor

Fitzroy House

Crown Street

Ipswich

Suffolk

IP1 3LG

Date: *2 June 2015*

SKAR PRECISION MOULDINGS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	Unaudited 2013 £
Turnover	1	5,743,487	5,698,635
Gross profit		1,483,804	1,414,652
Distribution costs		(31,546)	(15,915)
Administrative expenses		(534,381)	(530,084)
Operating profit	2	917,877	868,653
Interest receivable and similar income		1,306	157
Interest payable and similar charges	5	(49,894)	(21,518)
Profit on ordinary activities before taxation		869,289	847,292
Tax on profit on ordinary activities	6	(184,678)	(194,156)
Profit for the financial year	14	684,611	653,136

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 9 to 19 form part of these financial statements.

SKAR PRECISION MOULDINGS LIMITED

REGISTERED NUMBER: 00949310

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	Unaudited 2013 £
Fixed assets					
Tangible assets	7		2,268,308		2,264,069
Current assets					
Stocks	8	337,609		327,608	
Debtors: amounts falling due after more than one year	9	1,041,768		942,085	
Debtors: amounts falling due within one year	9	665,035		727,325	
Cash at bank and in hand		555,077		305,386	
			<u>2,599,489</u>	<u>2,302,404</u>	
Creditors: amounts falling due within one year	10	<u>(1,204,112)</u>		<u>(1,202,066)</u>	
Net current assets			<u>1,395,377</u>		<u>1,100,338</u>
Total assets less current liabilities			<u>3,663,685</u>		<u>3,364,407</u>
Creditors: amounts falling due after more than one year	11		<u>(1,344,175)</u>		<u>(1,448,847)</u>
Provisions for liabilities					
Deferred tax	12		<u>(76,989)</u>		<u>(59,337)</u>
Net assets			<u><u>2,242,521</u></u>		<u><u>1,856,223</u></u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>2,241,521</u>		<u>1,855,223</u>
Shareholders' funds	15		<u><u>2,242,521</u></u>		<u><u>1,856,223</u></u>

SKAR PRECISION MOULDINGS LIMITED

ABBREVIATED BALANCE SHEET (continued) AS AT 31 DECEMBER 2014

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:



G M McLellan
Director

Date: 1 MAY 2015

The notes on pages 9 to 19 form part of these financial statements.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover from the sale of goods is recognised when they are dispatched.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	Over a 50 year life
Plant and machinery	-	20 to 25% reducing balance
Fixtures, fittings, tools and equipment	-	25% reducing balance

No depreciation is charged on freehold land.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies (continued)

1.6 Taxation

The charge for taxation is based on the result for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised if their recovery is sufficiently certain.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Change of accounting policy

The company no longer satisfies the criteria for being a small company and preparing its financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). This change has affected the level of disclosure only.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies (continued)

1.11 Restatement and comparatives

Light and heat costs are now treated as direct costs rather than overheads. An amount of £227,148 has been transferred to cost of sales.

2. Operating profit

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

	2014 £	Unaudited 2013 £
Depreciation of tangible fixed assets:		
- owned by the company	113,354	91,219
- held under finance leases	29,373	32,195
Auditor's remuneration	4,225	-
Difference on foreign exchange	10,419	1,353
	<u>157,361</u>	<u>124,767</u>

3. Staff costs

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

	2014 £	Unaudited 2013 £
Wages and salaries	1,495,722	1,387,044
Social security costs	85,151	79,929
Other pension costs	53,171	54,000
	<u>1,634,044</u>	<u>1,520,973</u>

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

	2014 No.	Unaudited 2013 No.
Management and administration	20	21
Direct	42	40
	<u>62</u>	<u>61</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. Staff costs (continued)

4. Directors' remuneration

	2014 £	Unaudited 2013 £
Remuneration	<u>187,573</u>	<u>148,333</u>
Company pension contributions to defined contribution pension schemes	<u>53,171</u>	<u>54,000</u>

During the year retirement benefits were accruing to 5 directors (2013 - 5) in respect of defined contribution pension schemes.

5. Interest payable

	2014 £	Unaudited 2013 £
On bank loans and overdrafts	42,230	15,821
On finance leases and hire purchase contracts	7,664	5,697
	<u>49,894</u>	<u>21,518</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. Taxation

	2014 £	Unaudited 2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	179,000	198,790
Adjustments in respect of prior periods	(11,974)	-
Total current tax	167,026	198,790
Deferred tax (see note 12)		
Origination and reversal of timing differences	17,652	(4,634)
Tax on profit on ordinary activities	184,678	194,156

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	Unaudited 2013 £
Profit on ordinary activities before tax	869,289	847,292
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	186,897	196,995
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,142	(2,839)
Capital allowances for year in excess of depreciation	(9,621)	4,634
Adjustments to tax charge in respect of prior periods	(11,974)	-
Marginal relief	(2,418)	-
Current tax charge for the year (see note above)	167,026	198,790

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1 January 2014	1,764,403	1,764,535	261,328	3,790,266
Additions	-	107,396	41,124	148,520
Disposals	-	(26,034)	-	(26,034)
At 31 December 2014	1,764,403	1,845,897	302,452	3,912,752
Depreciation				
At 1 January 2014	1,839	1,339,291	185,067	1,526,197
Charge for the year	28,600	89,427	24,700	142,727
On disposals	-	(24,480)	-	(24,480)
At 31 December 2014	30,439	1,404,238	209,767	1,644,444
Net book value				
At 31 December 2014	1,733,964	441,659	92,685	2,268,308
At 31 December 2013	1,762,564	425,244	76,261	2,264,069

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	Unaudited 2013 £
Plant and machinery	164,106	150,635

8. Stocks

	2014 £	Unaudited 2013 £
Raw materials	158,245	133,693
Work in progress	15,643	32,283
Finished goods and goods for resale	163,721	161,632
	337,609	327,608

9. Debtors

	2014 £	Unaudited 2013 £
Due after more than one year		
Amounts owed by group undertakings	1,041,768	942,085

	2014 £	Unaudited 2013 £
Due within one year		
Trade debtors	617,203	543,657
Other debtors	-	135,302
Prepayments and accrued income	47,832	48,366
	665,035	727,325

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Creditors: Amounts falling due within one year

	2014	Unaudited 2013
	£	£
Bank loans and overdrafts	68,000	68,000
Net obligations under finance leases and hire purchase contracts	45,354	49,745
Trade creditors	591,381	694,179
Amounts owed to group undertakings	54,246	17,063
Corporation tax	179,000	198,790
Other taxation and social security	94,275	24,743
Other creditors	92,512	95,051
Accruals and deferred income	79,344	54,495
	<u>1,204,112</u>	<u>1,202,066</u>

The bank loans are secured by fixed and floating charges over the assets of the company.

The net obligations under hire purchase contracts are secured against the assets to which they relate.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

	2014 £	Unaudited 2013 £
Bank loans	1,224,000	1,292,000
Net obligations under finance leases and hire purchase contracts	58,755	56,637
Other creditors	61,420	100,210
	<u>1,344,175</u>	<u>1,448,847</u>

Included within the above are amounts falling due as follows:

	2014 £	Unaudited 2013 £
Between one and two years		
Bank loans	68,000	68,000
Between two and five years		
Bank loans	204,000	204,000
Over five years		
Bank loans	952,000	1,020,000

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	Unaudited 2013 £
Repayable by instalments	952,000	1,020,000

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. Creditors: Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	Unaudited 2013 £
Between one and five years	<u>58,755</u>	<u>56,637</u>

The bank loans are secured by fixed and floating charges over the assets of the company.

The net obligations under hire purchase contracts are secured against the assets to which they relate.

12. Deferred taxation

	2014 £	Unaudited 2013 £
At beginning of year	59,337	63,971
Charge for/(released during) year (P&L)	17,652	(4,634)
At end of year	<u>76,989</u>	<u>59,337</u>

The provision for deferred taxation is made up as follows:

	2014 £	Unaudited 2013 £
Accelerated capital allowances	<u>76,989</u>	<u>59,337</u>

13. Share capital

	2014 £	Unaudited 2013 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. Reserves

	Profit and loss account £
At 1 January 2014	1,855,223
Profit for the financial year	684,611
Dividends paid on equity capital	(298,313)
At 31 December 2014	<u>2,241,521</u>

15. Reconciliation of movement in shareholders' funds

	2014 £	Unaudited 2013 £
Opening shareholders' funds	1,856,223	1,472,012
Profit for the financial year	684,611	653,136
Dividends (Note 16)	(298,313)	(268,925)
Closing shareholders' funds	<u>2,242,521</u>	<u>1,856,223</u>

16. Dividends

	2014 £	Unaudited 2013 £
Dividends paid on equity capital	<u>298,313</u>	<u>268,925</u>

On 23 January 2015, the directors' proposed a final dividend in respect of the year ended 31 December 2014 to be paid on 6 April 2015.

17. Ultimate parent undertaking and controlling party

The immediate parent company is Ettle Limited by virtue of its 100% shareholding in the company.

The ultimate parent company is Aspire Plastics Limited by virtue of its 100% shareholding in Ettle Limited.

No single party has a controlling shareholding in Aspire Plastics Limited.