

SKAR PRECISION MOULDINGS LIMITED

Financial Statements - Pages for filing with the Registrar

FOR THE YEAR ENDED 31 DECEMBER 2015

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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 (resigned 17 December 2015) 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
REGISTERED NUMBER:00949310

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	6	2,187,694	2,268,308
		<u>2,187,694</u>	<u>2,268,308</u>
Current assets			
Stocks	7	296,164	337,609
Debtors: amounts falling due within one year	8	1,593,877	1,706,803
Cash at bank and in hand	9	629,710	555,077
		<u>2,519,751</u>	<u>2,599,489</u>
Creditors: amounts falling due within one year	10	(1,193,463)	(1,204,112)
Net current assets		<u>1,326,288</u>	<u>1,395,377</u>
Total assets less current liabilities		<u>3,513,982</u>	<u>3,663,685</u>
Creditors: amounts falling due after more than one year	11	(1,569,998)	(1,344,175)
Provisions for liabilities			
Deferred tax	15	(70,195)	(76,989)
Net assets		<u><u>1,873,789</u></u>	<u><u>2,242,521</u></u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Profit and loss account	17	1,872,789	2,241,521
		<u><u>1,873,789</u></u>	<u><u>2,242,521</u></u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
 19TH AUGUST 2016

K D Gant
 Director



The notes on pages 4 to 16 form part of these financial statements.

SKAR PRECISION MOULDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1,000	2,241,521	2,242,521
Comprehensive income for the year			
Profit for the year	-	581,268	581,268
Total comprehensive income for the year	-	581,268	581,268
Contributions by and distributions to owners			
Dividends	-	(950,000)	(950,000)
At 31 December 2015	1,000	1,872,789	1,873,789

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	1,000	1,855,223	1,856,223
Comprehensive income for the year			
Profit for the year	-	684,611	684,611
Total comprehensive income for the year	-	684,611	684,611
Contributions by and distributions to owners			
Dividends	-	(298,313)	(298,313)
At 31 December 2014	1,000	2,241,521	2,242,521

The notes on pages 4 to 16 form part of these financial statements.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

Skar Precision Mouldings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The address of the registered office is Lady Lane Industrial Estate, Hadleigh, Ipswich, Suffolk IP7 6AZ.

The principal activity of the Company is plastic injection moulding.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 and Financial Reporting Council Abstracts.

The company, being a small entity, is exempt from the requirement to draw up a Statement of Cash Flows in accordance with FRS 102 Section 7.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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

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

The following principal accounting policies have been applied:

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue 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.

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

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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 profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

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

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 either cost of sales or administrative expenses.

Stocks

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

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

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

Debtors

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

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.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in administrative expenses.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Pensions

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

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

Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

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.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

Raw materials are written down by the appropriate percentages to account for wastage as part of the manufacturing process and rejects. Finished goods are valued at the appropriate percentages of selling prices to reflect the average gross margin made on the sales of such items. Work in progress is valued based on the stage of completion.

The loan receivable from Aspire Plastics Limited included within amounts owed by group undertakings is recognised as being wholly due within one year on the basis the company has sufficient distributable reserves to pay the dividends to Aspire Plastics Limited that would enable the debt to be settled.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4. Auditor's remuneration

	2015 £	2014 £
Fees payable for the audit of the annual accounts	<u>4,350</u>	<u>4,225</u>

5. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>950,000</u>	<u>298,313</u>
	<u>950,000</u>	<u>298,313</u>

On 22 January 2016 the directors proposed and paid a final dividend of £120,000 in respect of the year ended 31 December 2015.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost or valuation				
At 1 January 2015	1,764,403	1,845,897	302,452	3,912,752
Additions	-	45,371	23,119	68,490
Disposals	-	(16,379)	-	(16,379)
At 31 December 2015	<u>1,764,403</u>	<u>1,874,889</u>	<u>325,571</u>	<u>3,964,863</u>
Depreciation				
At 1 January 2015	30,439	1,404,238	209,767	1,644,444
Charge owned for the period	28,821	64,301	26,798	119,920
Charge financed for the period	-	26,534	-	26,534
Disposals	-	(13,729)	-	(13,729)
At 31 December 2015	<u>59,260</u>	<u>1,481,344</u>	<u>236,565</u>	<u>1,777,169</u>
Net book value				
At 31 December 2015	<u>1,705,143</u>	<u>393,545</u>	<u>89,006</u>	<u>2,187,694</u>
At 31 December 2014	<u>1,733,964</u>	<u>441,659</u>	<u>92,685</u>	<u>2,268,308</u>

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	<u>1,705,143</u>	<u>1,733,964</u>
	<u>1,705,143</u>	<u>1,733,964</u>

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

	2015 £	2014 £
Plant and machinery	<u>101,138</u>	<u>164,106</u>
	<u>101,138</u>	<u>164,106</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7. Stocks

	2015 £	2014 £
Raw materials and consumables	136,570	158,245
Work in progress	10,940	15,643
Finished goods and goods for resale	148,654	163,721
	<u>296,164</u>	<u>337,609</u>

Stock recognised in cost of sales during the year as an expense was £2,243,067 (2014 - £2,497,154).

Cost of sales also includes a credit of £40,826 (2014 - £50,648), being the reduction in the closing stock obsolescence provision.

8. Debtors

	2015 £	2014 £
Trade debtors	502,667	617,203
Amounts owed by group undertakings	1,041,768	1,041,768
Prepayments and accrued income	49,442	47,832
	<u>1,593,877</u>	<u>1,706,803</u>

9. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	629,710	555,077
	<u>629,710</u>	<u>555,077</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank loans	193,004	68,000
Trade creditors	523,863	591,381
Amounts owed to group undertakings	54,246	54,246
Corporation tax	147,603	179,000
Taxation and social security	111,481	94,275
Obligations under finance lease and hire purchase contracts	19,753	45,354
Other creditors	49,268	92,512
Accruals and deferred income	94,245	79,344
	<u>1,193,463</u>	<u>1,204,112</u>

Secured loans

The bank loans are secured by fixed charges over the company's freehold property and a debenture over all of the company's assets.

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

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

	2015 £	2014 £
Bank loans	1,530,996	1,224,000
Net obligations under finance leases and hire purchase contracts	39,002	58,755
Other creditors	-	61,420
	<u>1,569,998</u>	<u>1,344,175</u>

Secured loans

The bank loans are secured by fixed charges over the company's freehold property and a debenture over all of the company's assets.

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

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12. Loans

Analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year		
Bank loans	193,004	68,000
	<u>193,004</u>	<u>68,000</u>
Amounts falling due 1-2 years		
Bank loans	193,004	68,000
	<u>193,004</u>	<u>68,000</u>
Amounts falling due 2-5 years		
Bank loans	453,992	204,000
	<u>453,992</u>	<u>204,000</u>
Amounts falling due after more than 5 years		
Bank loans	884,000	952,000
	<u>884,000</u>	<u>952,000</u>

The bank loan falling due after more than 5 years is repayable through monthly instalments and attracts interest at a commercial variable rate.

13. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	24,912	52,332
Between 1-2 years	16,165	24,912
Between 2-5 years	25,852	42,017
	<u>66,929</u>	<u>119,261</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

14. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,544,435	1,658,971
	<u>1,544,435</u>	<u>1,658,971</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,351,377)	(2,091,559)
	<u>(2,351,377)</u>	<u>(2,091,559)</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings and other creditors.

15. Deferred taxation

	Deferred tax £
At 1 January 2015	(76,989)
Charged to the profit or loss	6,794
At 31 December 2015	<u>(70,195)</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(70,195)	(76,989)
	<u>(70,195)</u>	<u>(76,989)</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. Share capital

	2015 £	2014 £
Issued, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

17. Reserves

Profit and loss account

The profit and loss account represents the company's accumulated profits which are available for distribution to shareholders.

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £76,415 (2014 - £53,171). Contributions totalling £796 (2014 - £1,917) were payable to the fund at the balance sheet date.

19. Related party transactions

At the year end the company owed T M McLellan a loan of £nil (2014 - £100,210). During the year, the company made repayments of £100,210 (2014 - £38,791) and paid interest of £5,194 (2014 - £5,666) in respect of the loan. T M McLellan is the spouse of G M McLellan.

20. 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.

21. First time adoption of FRS 102

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

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22. Audit report

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