

SKAR PRECISION MOULDINGS LIMITED

Financial Statements - Pages for Filing with Registrar

FOR THE YEAR ENDED 31 DECEMBER 2016



SKAR PRECISION MOULDINGS LIMITED

CONTENTS

	Page
Company Information	1
Balance Sheet	2 - 3
Notes to the Financial Statements	4 - 14

SKAR PRECISION MOULDINGS LIMITED

COMPANY INFORMATION

Directors	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 LLP 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 2016**

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	4	6,600	-
Tangible assets	5	2,259,834	2,187,694
		<u>2,266,434</u>	<u>2,187,694</u>
Current assets			
Stocks	6	316,419	296,164
Debtors: amounts falling due within one year	7	1,769,597	1,593,877
Cash at bank and in hand	8	919,813	629,710
		<u>3,005,829</u>	<u>2,519,751</u>
Creditors: amounts falling due within one year	9	(1,384,423)	(1,193,463)
Net current assets		<u>1,621,406</u>	<u>1,326,288</u>
Total assets less current liabilities		<u>3,887,840</u>	<u>3,513,982</u>
Creditors: amounts falling due after more than one year	10	(1,470,770)	(1,569,998)
Provisions for liabilities			
Deferred tax	14	(80,176)	(70,195)
		<u>(80,176)</u>	<u>(70,195)</u>
Net assets		<u><u>2,336,894</u></u>	<u><u>1,873,789</u></u>

SKAR PRECISION MOULDINGS LIMITED

REGISTERED NUMBER:00949310

BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		2,335,894	1,872,789
		<u>2,336,894</u>	<u>1,873,789</u>

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

The Company has opted not to file the statement of comprehensive income in accordance with 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

24TH APRIL 2017


K D Gant
Director

The notes on pages 4 to 14 form part of these financial statements.

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.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Skar Precision Mouldings Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales. 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

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A Small Entities of Financial Reporting Standard 102 ("FRS 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.

The following principal accounting policies have been applied:

2.2 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.

2.3 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.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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.

2.4 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.

2.5 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.

2.6 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.

2.7 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 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

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

impairment loss is recognised in the Statement of Comprehensive Income.

2.8 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.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.11 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.

2.12 Leased assets: the Company as lessee

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 Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.13 Pensions

The Company contributes to 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.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions at the period end 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.

2.16 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.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £4,500 (2015 - £4,350).

4. Intangible assets

	Goodwill £
Cost	
Additions	6,600
At 31 December 2016	<u>6,600</u>
 Net book value	
At 31 December 2016	<u>6,600</u>
At 31 December 2015	<u>-</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost or valuation				
At 1 January 2016	1,764,403	1,874,889	325,571	3,964,863
Additions	-	226,952	8,441	235,393
Disposals	-	(198,906)	(27,093)	(225,999)
At 31 December 2016	1,764,403	1,902,935	306,919	3,974,257
Depreciation				
At 1 January 2016	59,260	1,481,344	236,565	1,777,169
Charge owned for the period	28,162	99,306	22,915	150,383
Disposals	-	(187,027)	(26,102)	(213,129)
At 31 December 2016	87,422	1,393,623	233,378	1,714,423
Net book value				
At 31 December 2016	1,676,981	509,312	73,541	2,259,834
At 31 December 2015	1,705,143	393,545	89,006	2,187,694

6. Stocks

	2016 £	2015 £
Raw materials and consumables	116,824	136,570
Work in progress	20,324	10,940
Finished goods and goods for resale	179,271	148,654
	316,419	296,164

Stock recognised in cost of sales during the year as an expense was £2,595,253 (2015 - £2,243,067).

Cost of sales also includes a debit of £51,915 (2015 - credit of £40,826), being the increase in the closing stock obsolescence provision.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Debtors

	2016 £	2015 £
Trade debtors	681,218	502,667
Amounts owed by group undertakings	1,041,768	1,041,768
Prepayments and accrued income	46,611	49,442
	<u>1,769,597</u>	<u>1,593,877</u>

8. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>919,813</u>	<u>629,710</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	193,004	193,004
Trade creditors	669,852	523,863
Amounts owed to group undertakings	54,246	54,246
Corporation tax	189,972	147,603
Other taxation and social security	116,672	111,481
Obligations under finance lease and hire purchase contracts	45,624	19,753
Other creditors	47,061	49,268
Accruals and deferred income	67,992	94,245
	<u>1,384,423</u>	<u>1,193,463</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016 £	2015 £
Bank loans	1,337,992	1,530,996
Net obligations under finance leases and hire purchase contracts	132,778	39,002
	<u>1,470,770</u>	<u>1,569,998</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 finance leases and 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 2016

11. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	193,004	193,004
Amounts falling due 1-2 years		
Bank loans	193,004	193,004
Amounts falling due 2-5 years		
Bank loans	328,988	453,992
Amounts falling due after more than 5 years		
Bank loans	816,000	884,000
	<u>1,530,996</u>	<u>1,724,000</u>

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

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	45,624	24,912
Between 1-2 years	45,624	16,165
Between 2-5 years	87,154	25,852
	<u>178,402</u>	<u>66,929</u>

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,722,986</u>	<u>1,544,435</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,370,147)</u>	<u>(2,445,622)</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, other creditors and accruals.

14. Deferred taxation

	2016 £
At beginning of year	(70,195)
Charged to the profit or loss	(9,981)
At end of year	<u><u>(80,176)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	<u><u>(80,176)</u></u>

15. Pension commitments

The company contributes to 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 £99,032 (2015 - £76,415). Contributions totalling £2,406 (2015 - £796) were payable to the fund at the balance sheet date.

SKAR PRECISION MOULDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. Related party transactions

The company has taken advantage of the exemptions provided in FRS 102 Section 1A from disclosing transactions with members of the same group that are wholly owned.

At the year end, the company owed its parent company an amount of £54,246 (2015 - £54,246).

At the year end, the company was owed by its ultimate parent company £1,041,768 (2015 - £1,041,768).

The amount due to the company from its ultimate parent company is repayable on demand on the basis that its ultimate parent company would have sufficient available funds to make this payment following the payment of a dividend by the company which would flow through the group to its ultimate parent company.

17. Auditor's information

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