

COMPONENT PROCESS AND REPAIR LIMITED
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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COMPONENT PROCESS AND REPAIR LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**

DIRECTOR

Mr N A Geall

SECRETARY

Mr K L R Lewis

REGISTERED OFFICE

Unit 2
Dickinson Place
South Bersted Business Park
Bognor Regis
West Sussex
PO22 9QU

REGISTERED NUMBER:

02521221 (England and Wales)

AUDITORS.

Rothmans LLP
Chartered Accountants & Statutory Auditors
24 Park Road South
Havant
Hampshire
PO9 1HB

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2012**

The director presents his report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of aviation and industrial gas turbine repair

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

The director does not recommend the payment of a dividend (2011 £nil)

FUTURE DEVELOPMENTS

The company intends to consolidate its financial position in the forthcoming year in accordance with its business plan

DIRECTOR

Mr N A Geall held office during the whole of the period from 1 January 2012 to the date of this report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Rothmans LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Mr N A Geall - Director

Date

30/9/13

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMPONENT PROCESS AND REPAIR LIMITED

We have audited the financial statements of Component Process and Repair Limited for the year ended 31 December 2012 on pages four to ten. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Richard Hutchinson (Senior Statutory Auditor)
for and on behalf of Rothmans LLP
Chartered Accountants & Statutory Auditors
24 Park Road South
Havant
Hampshire
PO9 1HB

Date 30 September 2013

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
TURNOVER		1,635,303	1,441,553
Cost of sales		<u>1,146,853</u>	<u>969,555</u>
GROSS PROFIT		488,450	471,998
Administrative expenses		<u>476,129</u>	<u>462,563</u>
OPERATING PROFIT	3	12,321	9,435
Interest payable and similar charges	4	<u>2,730</u>	<u>3,250</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,591	6,185
Tax on profit on ordinary activities	5	<u>4,626</u>	<u>10,019</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>4,965</u>	<u>(3,834)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

COMPONENT PROCESS AND REPAIR LIMITED (REGISTERED NUMBER 02521221)

BALANCE SHEET
31 DECEMBER 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	253,623	241,804
CURRENT ASSETS			
Stocks	7	446,231	196,762
Debtors	8	444,947	366,295
Cash at bank and in hand		115,903	156,386
		<u>1,007,081</u>	<u>719,443</u>
CREDITORS			
Amounts falling due within one year	9	<u>794,558</u>	<u>500,066</u>
NET CURRENT ASSETS		<u>212,523</u>	<u>219,377</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>466,146</u>	<u>461,181</u>
CAPITAL AND RESERVES			
Called up share capital	12	745,320	745,320
Profit and loss account	13	(279,174)	(284,139)
SHAREHOLDERS' FUNDS	19	<u>466,146</u>	<u>461,181</u>

The financial statements were approved by the director on

30/9/2013

and were signed by

N A Geall

Mr N A Geall - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

Turnover represents the amount invoiced by the company for goods and services provided in the normal course of business

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to property	- 20% on reducing balance
Plant and machinery	- 15% on reducing balance
Computer equipment	- 20% straight line

Stocks

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 items. Cost includes all direct expenditure and an appropriate proportion of attributable overheads

Deferred tax

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

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

Hire purchase and leasing commitments

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

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 STAFF COSTS

	2012 £	2011 £
Wages and salaries	595,781	500,701
Social security costs	61,843	54,636
Other pension costs	5,637	5,540
	<u>663,261</u>	<u>560,877</u>

The average monthly number of employees during the year was as follows

	2012	2011
Manufacturing	15	12
Administrative	5	5
	<u>20</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**3 OPERATING PROFIT**

The operating profit is stated after charging

	2012	2011
	£	£
Other operating leases	49,732	41,196
Depreciation - owned assets	48,982	47,339
Auditors' remuneration	10,932	11,000
All other services	-	5,925
Taxation compliance services	700	-
Other non-audit services	2,300	-
	<u>76,072</u>	<u>68,038</u>
Director's remuneration	76,072	68,038
Director's pension contributions to money purchase schemes	3,330	3,330
	<u>79,402</u>	<u>71,368</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Inter-group loan interest	<u>2,730</u>	<u>3,250</u>

5 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2012	2011
	£	£
Deferred tax		
Origination and reversal of timing differences	(822)	(3,030)
Movement in losses	3,711	5,423
Effect of change in tax rate	1,737	5,507
Prior year over provision	-	2,119
	<u>4,626</u>	<u>10,019</u>
Total deferred tax	4,626	10,019
Tax on profit on ordinary activities	<u>4,626</u>	<u>10,019</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>9,591</u>	<u>6,185</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	2,302	1,608
Effects of		
Expenses not deductible for tax purposes	713	985
Depreciation in excess of capital allowances	1,077	753
Utilisation of tax losses	(3,872)	(5,875)
Other short term timing differences	(220)	2,529
	<u>-</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has a deferred tax asset of £37,041 (2011 £41,667). Tax losses carried forward are £135,049 (2011 £151,184).

6 TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2012	105,141	488,739	61,044	654,924
Additions	<u>20,484</u>	<u>40,317</u>	<u>-</u>	<u>60,801</u>
At 31 December 2012	<u>125,625</u>	<u>529,056</u>	<u>61,044</u>	<u>715,725</u>
DEPRECIATION				
At 1 January 2012	23,596	340,191	49,333	413,120
Charge for year	<u>20,021</u>	<u>24,607</u>	<u>4,354</u>	<u>48,982</u>
At 31 December 2012	<u>43,617</u>	<u>364,798</u>	<u>53,687</u>	<u>462,102</u>
NET BOOK VALUE				
At 31 December 2012	<u>82,008</u>	<u>164,258</u>	<u>7,357</u>	<u>253,623</u>
At 31 December 2011	<u>81,545</u>	<u>148,548</u>	<u>11,711</u>	<u>241,804</u>

7 STOCKS

	2012 £	2011 £
Stocks	271,119	83,125
Work-in-progress	<u>175,112</u>	<u>113,637</u>
	<u>446,231</u>	<u>196,762</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Trade debtors	308,779	197,973
Amounts owed by group undertakings	84,040	88,705
Other debtors	-	12,430
Deferred tax asset	37,041	41,667
Prepayments and accrued income	15,087	25,520
	<u>444,947</u>	<u>366,295</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	147,592	124,672
Amounts owed to group undertakings	520,885	251,260
Social security and other taxes	17,216	18,796
VAT	9,735	41,952
Pension control	700	688
Accruals and deferred income	98,430	62,698
	<u>794,558</u>	<u>500,066</u>

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2012	2011
	£	£
Expiring		
Between one and five years	<u>49,607</u>	<u>46,250</u>

11 DEFERRED TAX

	£
Balance at 1 January 2012	(41,667)
Charge to profit and loss of £4,626 analysed below	
Capital allowances in excess of depreciation	(1,268)
Losses utilised	5,223
Other short term timing differences	671
	<u>(37,041)</u>
Balance at 31 December 2012	<u>(37,041)</u>

The director has recognised tax losses of £135,049 (2011 £151,184) at the substantially enacted tax rate of 23% (2011 24%) on the basis that it is probable that sufficient taxable profits will be made in the foreseeable future

Closing deferred tax balances have been calculated at 23% (2011 24%) on the basis that this was the main rate of corporation tax with effect from 1 April 2013

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**12 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £1	2012 £	2011 £
745,320	Ordinary		<u>745,320</u>	<u>745,320</u>

13 RESERVES

	Profit and loss account £
At 1 January 2012	(284,139)
Profit for the year	<u>4,965</u>
At 31 December 2012	<u>(279,174)</u>

14 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. Contributions payable for the year are £5,637 (2011 - £5,540). Amounts outstanding at the year end totalled £701 (2011 - £688).

15 ULTIMATE PARENT COMPANY

The company's ultimate parent company is the SENER Group, a Spanish company whose registered office is Avenida de Zugazarte 56, 48930, Vizcaya, Spain. The intermediate parent company is Industria de Turbo Propulsores S A, incorporated in Spain whose registered office is Parque Tecnológico 300, 48170 Zamudio, Vizcaya, Spain.

The consolidated financial statements of these groups are available to the public and may be obtained from the addresses given above.

16 CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>7,080</u>

17 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

18 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Founder Family of the SENER Group.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit/(loss) for the financial year	<u>4,965</u>	<u>(3,834)</u>
Net addition/(reduction) to shareholders' funds	<u>4,965</u>	<u>(3,834)</u>
Opening shareholders' funds	<u>461,181</u>	<u>465,015</u>
Closing shareholders' funds	<u>466,146</u>	<u>461,181</u>