

Skemtech Limited

**Directors' report and financial
statements**

Registered number 3353521

Year ended 31 December 2012

WEDNESDAY



A2CSNQGP
A18 17/07/2013 #208
COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditor's report to the members of Skemtech Limited	3
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company in the year was that of property investment and management

Business review

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

Dividends

A dividend of £180,000 has been declared and paid for the year ended 31 December 2012 (2011 £300,000)

Directors

The directors who held office during the year were as follows

JF Carter
JP Hartley
CM Evenson (appointed 4 July 2012)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



SJ Lowe
Secretary

Sceptre House
Sceptre Way
Bamber Bridge
PRESTON
PR5 6AW

28 June 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements and 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Skemtech Limited

We have audited the financial statements of Skemtech Limited for the year ended 31 December 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Skemtech Limited (*continued*)

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Evans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Preston

28 June 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	<i>1</i>	147,534	143,962
Cost of sales		-	-
Gross profit		147,534	143,962
Administrative expenses		(15,408)	(22,407)
Operating profit	<i>2</i>	132,126	121,555
Interest receivable and similar income	<i>3</i>	63	125
Profit on ordinary activities before taxation		132,189	121,680
Tax on profit on ordinary activities	<i>4</i>	1,309	1,207
Profit for the financial year		133,498	122,887

All of the company's activities related to continuing operations

Statement of total recognised gains and losses
for the year ended 31 December 2012

		2012 £	2011 £
Profit for the financial year		133,498	122,887
Surplus on revaluation of fixed assets	<i>5</i>	110,000	-
Total recognised gains and losses relating to the year		243,498	122,887

Balance sheet
at 31 December 2012

	<i>Note</i>	2012	2011
		£	£
Fixed assets			
Tangible assets	5	1,315,000	1,205,000
Current assets			
Debtors	6	126,830	112,279
Cash at bank		19,913	69,860
		<u>146,743</u>	<u>182,139</u>
Creditors amounts falling due within one year	7	<u>(50,071)</u>	<u>(36,156)</u>
Net current assets		<u>96,672</u>	<u>145,983</u>
Total assets less current liabilities		<u>1,411,672</u>	<u>1,350,983</u>
Provisions for liabilities and charges	8	<u>(34,058)</u>	<u>(36,867)</u>
Net assets		<u>1,377,614</u>	<u>1,314,116</u>
Capital and reserves			
Called up share capital	9	100	100
Revaluation reserve	10	617,230	507,230
Profit and loss account	10	760,284	806,786
Equity shareholders' funds		<u>1,377,614</u>	<u>1,314,116</u>

These financial statements were approved by the board of directors on 28 June 2013 and were signed on its behalf by



JP Hartley
Director

Registered number 3353521

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention, modified to include the revaluation of land and buildings and within the requirements of the Companies Act 2006

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

The consolidated financial statements of Henmead Limited, within which this company is included, can be obtained from Companies House, Crown Way, Cardiff

Turnover

Turnover represents rental income derived from the investment property, excluding VAT

Tangible fixed assets

In accordance with SSAP 19, investment properties have been revalued at the year end and any resulting surplus or deficit transferred to a revaluation reserve

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying differences can be deducted

Going concern

The Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The accounts have been prepared on this basis

Notes (continued)

2 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Auditors' remuneration	1,200	1,150

The directors were the only employees of the company during the year. No director received any remuneration from the company during the year.

3 Interest receivable and similar income

	2012 £	2011 £
Bank interest	63	125

4 Taxation

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
UK corporation tax at 20% (2011: 20-25%)	1,500	1,519
Current tax	1,500	1,519
Deferred taxation	(2,809)	(2,726)
	(1,309)	(1,207)
<i>Factors affecting the tax charge for the current year</i>		
Profit on ordinary activities before taxation	132,189	121,680
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011: 20-25%)	26,438	24,640
Group relief received for nil consideration	(24,815)	(22,950)
Difference between capital allowances and depreciation	(123)	(171)
Current tax charge for the year	1,500	1,519

Notes (continued)

5 Tangible fixed assets

	Freehold Property £
<i>Cost or valuation</i>	
At beginning	1,205,000
Revaluation surplus	110,000
<i>Net book value</i>	
At end of year	1,315,000

Freehold properties are held at valuation. All such assets were valued at 1 November 2012 on the basis of existing use value by GVA Grimley, Chartered Surveyors. The Directors are of the opinion that this materially represents the valuation at the year end.

The net book value of freehold properties on a historical cost basis is £697,770.

6 Debtors

	2012 £	2011 £
Trade debtors	43,300	22,239
Other debtors	83,530	89,789
Prepayments	-	251
	126,830	112,279

7 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts due to parent company	1,500	1,519
Amount due to other group company	-	154
Other creditors	12,292	2,625
Accruals	36,279	31,858
	50,071	36,156

Notes (continued)

8 Provisions for liabilities and charges

Deferred taxation

Arising on the differences between accumulated depreciation and capital allowances

There is no unprovided deferred tax

	2012 £	2011 £
As at 1 January	36,867	39,593
Credit for the year	(2,809)	(2,726)
As at 31 December	<u>34,058</u>	<u>36,867</u>

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

9 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and full paid</i>		
Ordinary shares of 10p each	<u>100</u>	<u>100</u>

10 Reserves

	Profit and loss account £	Revaluation reserve £	Total £
At start of year	806,786	507,230	1,314,016
Profit for the year	133,498	-	133,497
Revaluation surplus	-	110,000	110,000
Dividends paid	(180,000)	-	(180,000)
At end of year	<u>760,284</u>	<u>617,230</u>	<u>1,377,513</u>

Notes *(continued)*

11 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	133,498	122,887
Revaluation surplus	110,000	-
Dividends paid	(180,000)	(300,000)
Opening shareholders' funds	1,314,116	1,491,229
Closing shareholders' funds	<u>1,377,614</u>	<u>1,314,116</u>

12 Ultimate parent company

The company is a subsidiary of Maple Grove Developments Limited. The ultimate holding company is Henmead Limited, a company incorporated in England.