

Company Registration No. 06427770 (England and Wales)

HORN CUTTING TOOLS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The director presents his report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company continued to be that of the supply of precision cutting and boring engineering tools

Results and dividends

The results for the year are set out on page 4

Director

The following director has held office since 1 January 2011

Mr A Vollmer

Auditors

John Lloyd & Co were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of director's responsibilities

The director is responsible for preparing the Director's Report 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

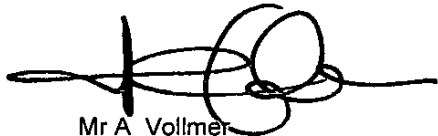
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr A. Vollmer

Director

20 August 2012

HORN CUTTING TOOLS LIMITED

INDEPENDENT AUDITORS' REPORT TO HORN CUTTING TOOLS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Horn Cutting Tools Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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 auditors' 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 the director and auditors

The director is 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 to be delivered are properly prepared.

Opinion

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 have been properly prepared in accordance with the regulations made under that section.



John Lloyd (Senior Statutory Auditor)
for and on behalf of John Lloyd & Co

Chartered Accountants
Statutory Auditor

20 August 2012

Coles House
64d Central Road
Worcester Park
Surrey
KT4 8HY

HORN CUTTING TOOLS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		7,591,948	6,149,509
Other operating income less cost of sales		(3,354,828)	(2,734,874)
Distribution costs		(74,591)	(51,026)
Administrative expenses		(3,182,653)	(2,923,800)
Operating profit	2	979,876	439,809
Other interest receivable and similar income		8,747	5,527
Profit on ordinary activities before taxation		988,623	445,336
Tax on profit on ordinary activities	4	(281,123)	(142,486)
Profit for the year	13	707,500	302,850

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

HORN CUTTING TOOLS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		283,650		355,446
Current assets					
Stocks	7	553,719		479,560	
Debtors	8	1,814,094		1,549,439	
Cash at bank and in hand		2,186,127		2,021,827	
		<u>4,553,940</u>		<u>4,050,826</u>	
Creditors amounts falling due within one year	9	<u>(4,138,395)</u>		<u>(4,038,334)</u>	
Net current assets			415,545		12,492
Total assets less current liabilities			<u>699,195</u>		<u>367,938</u>
Provisions for liabilities	10		(5,530)		(17,434)
			<u>693,665</u>		<u>350,504</u>
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss account	13	683,665		340,504	
Shareholders' funds	14	<u>693,665</u>		<u>350,504</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 20 August 2012



Mr A. Vollmer
Director

Company Registration No 06427770

HORN CUTTING TOOLS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		793,921		494,541
Returns on investments and servicing of finance				
Interest received	8,747		5,527	
Net cash inflow for returns on investments and servicing of finance		8,747		5,527
Taxation		(250,766)		114,947
Capital expenditure				
Receipts from sales of tangible assets	-		13,000	
Net cash (outflow)/inflow for capital expenditure		-		13,000
Equity dividends paid		(364,339)		-
Net cash inflow before management of liquid resources and financing		187,563		628,015
Increase in cash in the year		187,563		628,015
CASH FLOW OUT OF BALANCE BY.		(23,263)		(209,362)

HORN CUTTING TOOLS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash inflow from operating activities		2011	2010
			£	£
	Operating profit		979,876	439,809
	Depreciation of tangible assets		95,059	65,410
	Profit on disposal of tangible assets		-	(2,553)
	Increase in stocks		(74,159)	(13,290)
	Increase in debtors		(264,655)	(368,299)
	Increase in creditors within one year		57,800	373,464
	Net cash inflow from operating activities		793,921	494,541

2	Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,021,827	164,300	-	2,186,127
	Bank deposits	-	-	-	-
	Net funds	2,021,827	164,300	-	2,186,127

3	Reconciliation of net cash flow to movement in net funds		2011	2010
			£	£
	Increase in cash in the year		164,300	418,653
	Movement in net funds in the year		164,300	418,653
	Opening net funds		2,021,827	1,603,174
	Closing net funds		2,186,127	2,021,827

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

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 less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Straight line over the period of the lease
Plant and machinery	20% Straight Line
Fixtures, fittings & equipment	15% Reducing Balance
Motor vehicles	25% Straight Line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

2	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	95,059	65,410
	Operating lease rentals		
	- Plant and machinery	84,120	71,098
	Auditors' remuneration (including expenses and benefits in kind)	6,000	5,000
	and after crediting		
	Profit on disposal of tangible assets	-	(2,553)
	Profit on foreign exchange transactions	(95,567)	(67,763)
		<u><u> </u></u>	<u><u> </u></u>
3	Investment income	2011	2010
		£	£
	Bank interest	8,080	5,100
	Other interest	667	427
		<u> </u>	<u> </u>
		<u><u>8,747</u></u>	<u><u>5,527</u></u>

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

4	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	293,027	119,601
	Adjustment for prior years	-	10
	Total current tax	293,027	119,611
	Deferred tax		
	Origination and reversal of timing differences	(11,904)	22,875
		281,123	142,486
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	988,623	445,336
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.49% (2010 - 28.00%)	261,886	124,694
	Effects of		
	Non deductible expenses	18,539	16,454
	Depreciation add back	25,181	18,315
	Capital allowances	(12,615)	(39,147)
	Other tax adjustments	36	(705)
		31,141	(5,083)
	Current tax charge for the year	293,027	119,611
5	Dividends	2011	2010
		£	£
	Ordinary final paid	364,339	-

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2011	122,772	271,621	78,774	46,645	519,812
Additions	-	3,608	19,655	-	23,263
At 31 December 2011	122,772	275,229	98,429	46,645	543,075
Depreciation					
At 1 January 2011	61,387	69,011	30,081	3,887	164,366
Charge for the year	20,462	55,015	7,921	11,661	95,059
At 31 December 2011	81,849	124,026	38,002	15,548	259,425
Net book value					
At 31 December 2011	40,923	151,203	60,427	31,097	283,650
At 31 December 2010	61,385	202,610	48,693	42,758	355,446

7 Stocks

	2011 £	2010 £
Finished goods and goods for resale	553,719	479,560

The replacement cost of stocks and consumables as at 31st December 2011 is estimated to be £553,719 (2010 £479,560)

8 Debtors

	2011 £	2010 £
Trade debtors	1,682,306	1,468,358
Other debtors	49,979	23,633
Prepayments and accrued income	81,809	57,448
	1,814,094	1,549,439

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

9 Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	1,702,436	1,953,718
Amounts owed to parent and fellow subsidiary undertakings	1,884,195	1,669,383
Corporation tax	161,862	119,601
Other taxes and social security costs	329,121	243,539
Other creditors	-	530
Accruals and deferred income	60,781	51,563
	<u>4,138,395</u>	<u>4,038,334</u>

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2011	17,434
Profit and loss account	(11,904)
	<u>5,530</u>
Balance at 31 December 2011	<u>5,530</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>5,530</u>	<u>17,434</u>

11 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>66,781</u>	<u>59,159</u>

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

12 Share capital	2011 £	2010 £
Allotted, called up and fully paid 10,000 of £1 each	10,000	10,000

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	340,504
Profit for the year	707,500
Dividends paid	(364,339)
Balance at 31 December 2011	683,665

14 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	707,500	302,850
Dividends	(364,339)	-
Net addition to shareholders' funds	343,161	302,850
Opening shareholders' funds	350,504	47,654
Closing shareholders' funds	693,665	350,504

15 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	-	-	16,676	2,974
Between two and five years	61,000	61,000	83,362	47,421
	61,000	61,000	100,038	50,395

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Manufacturing	11	16
Selling and Administration	36	27
	<u>47</u>	<u>43</u>

Employment costs

	2011 £	2010 £
Wages and salaries	1,577,030	1,369,746
Social security costs	183,881	159,400
Other pension costs	66,781	59,159
	<u>1,827,692</u>	<u>1,588,305</u>

17 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions