

Company Registration No 06427770 (England and Wales)

HORN CUTTING TOOLS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

MONDAY



A21078TN

A30

30/09/2013

#126

COMPANIES HOUSE

HORN CUTTING TOOLS LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 14

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The director presents his report and financial statements for the year ended 31 December 2012

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

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future

Results and dividends

The results for the year are set out on page 4

Future developments

It is anticipated that the company will continue to trade profitably through this uncertain economic period

Director

The following director has held office since 1 January 2012

Mr A Vollmer

Auditors

John Lloyd & Co are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

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

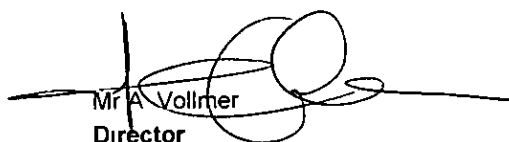
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 September 2013

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 2012 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 September 2013

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

HORN CUTTING TOOLS LIMITED

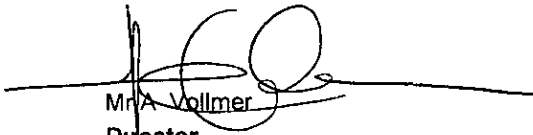
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6		232,738		283,650
Current assets					
Stocks	7	585,707		553,719	
Debtors	8	1,902,101		1,814,094	
Cash at bank and in hand		2,140,759		2,186,127	
		<u>4,628,567</u>		<u>4,553,940</u>	
Creditors amounts falling due within one year	9	<u>(3,415,158)</u>		<u>(4,138,395)</u>	
Net current assets			<u>1,213,409</u>		<u>415,545</u>
Total assets less current liabilities			<u>1,446,147</u>		<u>699,195</u>
Provisions for liabilities	10		<u>(5,943)</u>		<u>(5,530)</u>
			<u>1,440,204</u>		<u>693,665</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		<u>1,430,204</u>		<u>683,665</u>
Shareholders' funds	14		<u>1,440,204</u>		<u>693,665</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 September 2013


Mr A. Vollmer
Director

Company Registration No. 06427770

HORN CUTTING TOOLS LIMITED

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

	Notes	2012 £	2011 £
Turnover		8,312,329	7,591,948
Other operating income less cost of sales		(3,630,127)	(3,354,828)
Distribution costs		(67,735)	(74,591)
Administrative expenses		(3,621,587)	(3,182,653)
Operating profit	2	992,880	979,876
Other interest receivable and similar income		7,941	8,747
Profit on ordinary activities before taxation		1,000,821	988,623
Tax on profit on ordinary activities	4	(254,282)	(281,123)
Profit for the year	13	746,539	707,500

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
£	£	£
Net cash inflow from operating activities	340,264	793,921
Returns on investments and servicing of finance		
Interest received	7,941	8,747
Net cash inflow for returns on investments and servicing of finance	7,941	8,747
Taxation	(345,583)	(250,766)
Equity dividends paid	-	(364,339)
Net cash inflow before management of liquid resources and financing	2,622	187,563
Increase in cash in the year	2,622	187,563
CASH FLOW OUT OF BALANCE BY:	(47,990)	(23,263)

HORN CUTTING TOOLS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	992,880	979,876
	Depreciation of tangible assets	93,070	95,059
	Loss on disposal of tangible assets	5,832	-
	Increase in stocks	(31,988)	(74,159)
	Increase in debtors	(88,007)	(264,655)
	(Decrease)/Increase in creditors within one year	(631,523)	57,800
	Net cash inflow from operating activities	340,264	793,921

2	Analysis of net funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,186,127	(45,368)	-	2,140,759
	Bank deposits	-	-	-	-
	Net funds	2,186,127	(45,368)	-	2,140,759

3	Reconciliation of net cash flow to movement in net funds	2012	2011
		£	£
	(Decrease)/increase in cash in the year	(45,368)	164,300
	Movement in net funds in the year	(45,368)	164,300
	Opening net funds	2,186,127	2,021,827
	Closing net funds	2,140,759	2,186,127

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 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

1.6 Leasing

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

1.7 Stock

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

1.8 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.

1.9 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.

1.10 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 2012

2	Operating profit	2012 £	2011 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	93,070	95,059
	Loss on disposal of tangible assets	5,832	-
	Research and development	48,666	-
	Operating lease rentals		
	- Plant and machinery	86,045	84,120
	Auditors' remuneration (including expenses and benefits in kind)	6,500	6,000
	and after crediting		
	Profit on foreign exchange transactions	(56,733)	(95,567)
3	Investment income	2012 £	2011 £
	Bank interest	7,203	8,080
	Other interest	738	667
		7,941	8,747

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	253,869	293,027
	Total current tax	253,869	293,027
	Deferred tax		
	Origination and reversal of timing differences	413	(11,904)
		254,282	281,123
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,000,821	988,623
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.49%)	245,201	261,886
	Effects of		
	Non deductible expenses	(1,060)	18,539
	Depreciation add back	22,802	25,181
	Capital allowances	(13,046)	(12,615)
	Other tax adjustments	(28)	36
		8,668	31,141
	Current tax charge for the year	253,869	293,027
5	Dividends	2012	2011
		£	£
	Ordinary final paid	-	364,339

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2012	122,772	275,229	98,429	46,645	543,075
Additions	-	9,643	38,347	-	47,990
Disposals	-	(36,773)	(12,369)	-	(49,142)
At 31 December 2012	122,772	248,099	124,407	46,645	541,923
Depreciation					
At 1 January 2012	81,849	124,026	38,002	15,548	259,425
On disposals	-	(36,690)	(6,620)	-	(43,310)
Charge for the year	20,461	48,638	12,310	11,661	93,070
At 31 December 2012	102,310	135,974	43,692	27,209	309,185
Net book value					
At 31 December 2012	20,462	112,125	80,715	19,436	232,738
At 31 December 2011	40,923	151,203	60,427	31,097	283,650

7 Stocks	2012 £	2011 £
Finished goods and goods for resale	585,707	553,719

The replacement cost of stocks and consumables as at 31st December 2012 is estimated to be £585,707 (2011 £553,719)

8 Debtors	2012 £	2011 £
Trade debtors	1,784,244	1,682,306
Other debtors	50,195	49,979
Prepayments and accrued income	67,662	81,809
	1,902,101	1,814,094

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9	Creditors amounts falling due within one year	2012 £	2011 £
	Trade creditors	1,296,667	1,702,436
	Amounts owed to parent and fellow subsidiary undertakings	1,595,927	1,884,195
	Corporation tax	70,148	161,862
	Other taxes and social security costs	367,703	329,121
	Accruals and deferred income	84,713	60,781
		<u>3,415,158</u>	<u>4,138,395</u>

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2012	5,530
Profit and loss account	413
	<u>5,943</u>
Balance at 31 December 2012	<u>5,943</u>

The deferred tax liability is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>5,943</u>	<u>5,530</u>

11 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>109,741</u>	<u>66,781</u>

12 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 10,000 of £1 each	<u>10,000</u>	<u>10,000</u>

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	683,665
Profit for the year	746,539
Balance at 31 December 2012	1,430,204

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	746,539	707,500
Dividends	-	(364,339)
Net addition to shareholders' funds	746,539	343,161
Opening shareholders' funds	693,665	350,504
Closing shareholders' funds	1,440,204	693,665

15 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire				
Within one year	-	-	50,295	16,676
Between two and five years	61,000	61,000	31,142	83,362
	61,000	61,000	81,437	100,038

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

16 Employees

Number of employees

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

	2012 Number	2011 Number
Manufacturing	23	11
Selling and Administration	26	36
	<u>49</u>	<u>47</u>

Employment costs

	2012 £	2011 £
Wages and salaries	1,730,564	1,577,030
Social security costs	195,875	183,881
Other pension costs	109,741	66,781
	<u>2,036,180</u>	<u>1,827,692</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