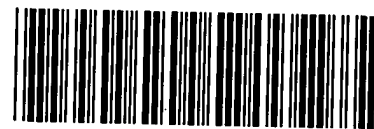


Company Registration No. 06427770 (England and Wales)

HORN CUTTING TOOLS LIMITED
ABBREVIATED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

HORN CUTTING TOOLS LIMITED

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HORN CUTTING TOOLS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The director presents the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

Turnover increased from £8.6m to £9.7m in the year. The overall Gross Margin also increased for the year. This increase was a result of improved deliveries whereby the freight charges remained level despite the increase in turnover. Also, the material costs were reduced due to the favourable exchange rate.

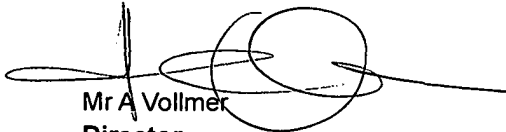
Towards the middle of the year fewer projects were won by the company from a German supplier.

Administrative expenses were higher this year due to the attendance at the MACH trade show.

Also within the year leasehold improvements were made on the property. However this did not have an effect on the liquidity of the company due to the increased revenues.

Overall the results for the year and the financial position at the year end were considered satisfactory by the director. The director expects turnover to continue to grow in 2015 and for the foreseeable future.

On behalf of the board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Mr A Vollmer
Director

28 August 2015

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The director presents his report and financial statements for the year ended 31 December 2014.

Principal activities

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 5.

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 2014:

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 2014

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, 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:

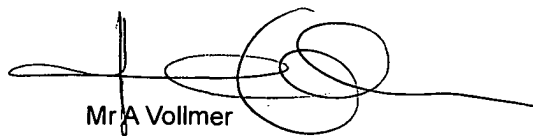
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

28 August 2015

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 5 to 13, together with the financial statements of Horn Cutting Tools Limited for the year ended 31 December 2014 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.



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

Chartered Accountants
Statutory Auditor

28 August 2015

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 2014

		2014 £	2013 £
	Notes		
Turnover		9,703,654	8,619,297
Other operating income less cost of sales		(4,292,223)	(4,086,732)
Distribution costs		(66,769)	(70,665)
Administrative expenses		(4,010,888)	(3,598,181)
Operating profit	2	1,333,774	863,719
Other interest receivable and similar income		5,475	5,474
Profit on ordinary activities before taxation		1,339,249	869,193
Tax on profit on ordinary activities	4	(296,346)	(245,994)
Profit for the year	13	1,042,903	623,199

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

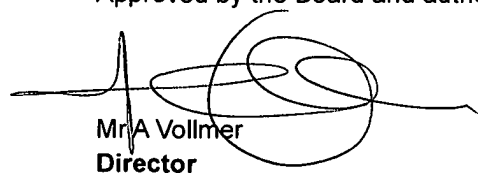
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6	1,159,887		926,906	
Current assets					
Stocks	7	634,022		643,055	
Debtors	8	2,444,787		1,830,509	
Cash at bank and in hand		1,465,880		1,343,698	
		4,544,689		3,817,262	
Creditors: amounts falling due within one year	9	(3,340,679)		(3,441,291)	
Net current assets		1,204,010		375,971	
Total assets less current liabilities		2,363,897		1,302,877	
Provisions for liabilities	10	(91,791)		(73,674)	
		2,272,106		1,229,203	
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss account	13	2,262,106		1,219,203	
Shareholders' funds	14	2,272,106		1,229,203	

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 28 August 2015


Mr A Vollmer
Director

Company Registration No. 06427770

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

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 2014

2	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	250,378	250,694
	Loss on disposal of tangible assets	41,503	4,701
	Loss on foreign exchange transactions	-	30,905
	Operating lease rentals		
	- Plant and machinery	104,646	98,829
	Auditors' remuneration (including expenses and benefits in kind)	7,000	6,500
	and after crediting:		
	Profit on foreign exchange transactions	(57,752)	-
		<u> </u>	<u> </u>
 3	 Investment income	 2014	 2013
		£	£
	Bank interest	5,163	4,880
	Other interest	312	594
		<u> </u>	<u> </u>
		5,475	5,474
		<u> </u>	<u> </u>

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	278,229	178,263
	Total current tax	278,229	178,263
	Deferred tax		
	Origination and reversal of timing differences	18,117	67,731
		296,346	245,994
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,339,249	869,193
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	287,805	202,087
	Effects of:		
	Non deductible expenses	24,511	12,376
	Depreciation add back	53,806	58,286
	Capital allowances	(87,821)	(94,331)
	Other tax adjustments	(72)	(155)
		(9,576)	(23,824)
	Current tax charge for the year	278,229	178,263
5	Dividends	2014 £	2013 £
	Ordinary final paid	-	834,200

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2014	122,772	1,163,165	128,465	1,414,402
Additions	403,692	90,005	31,164	524,861
Disposals	-	(18,371)	(79,090)	(97,461)
At 31 December 2014	526,464	1,234,799	80,539	1,841,802
Depreciation				
At 1 January 2014	122,772	308,519	56,204	487,495
On disposals	-	(17,498)	(38,460)	(55,958)
Charge for the year	10,092	230,517	9,769	250,378
At 31 December 2014	132,864	521,538	27,513	681,915
Net book value				
At 31 December 2014	393,600	713,261	53,026	1,159,887
At 31 December 2013	-	854,647	72,259	926,906

7 Stocks

	2014 £	2013 £
Finished goods and goods for resale	634,022	643,055

The replacement cost of stocks and consumables as at 31st December 2014 is estimated to be £634,022 (2013 £643,055).

8 Debtors

	2014 £	2013 £
Trade debtors	2,273,880	1,711,962
Other debtors	67,231	48,200
Prepayments and accrued income	103,676	70,347
	2,444,787	1,830,509

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	1,119,054	1,379,664
	Amounts owed to parent and fellow subsidiary undertakings	1,555,456	1,549,633
	Corporation tax	123,229	69,263
	Other taxes and social security costs	400,034	358,580
	Accruals and deferred income	142,906	84,151
		<u>3,340,679</u>	<u>3,441,291</u>

10	Provisions for liabilities	Deferred tax liability £
	Balance at 1 January 2014	73,674
	Profit and loss account	18,117
	Balance at 31 December 2014	<u>91,791</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>91,791</u>	<u>73,674</u>

11 Pension and other post-retirement benefit commitments Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	<u>154,444</u>	<u>119,554</u>

12 Share capital

	2014 £	2013 £
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 2014

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	1,219,203
Profit for the year	1,042,903
Balance at 31 December 2014	2,262,106

14 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	1,042,903	623,199
Dividends	-	(834,200)
Net addition to/(depletion in) shareholders' funds	1,042,903	(211,001)
Opening shareholders' funds	1,229,203	1,440,204
Closing shareholders' funds	2,272,106	1,229,203

15 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Operating leases which expire:				
Within one year	-	-	16,103	18,666
Between two and five years	51,000	51,000	72,545	51,396
	51,000	51,000	88,648	70,062

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

16 Employees

Number of employees

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

	2014 Number	2013 Number
Manufacturing	28	26
Selling and Administration	26	24
	<u>54</u>	<u>50</u>

Employment costs

	2014 £	2013 £
Wages and salaries	1,970,054	1,767,999
Social security costs	224,738	204,550
Other pension costs	154,444	119,554
	<u>2,349,236</u>	<u>2,092,103</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.