

Company Registration No. 06427770 (England and Wales)

HORN CUTTING TOOLS LIMITED
ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
PAGES FOR FILING WITH REGISTRAR



HORN CUTTING TOOLS LIMITED

COMPANY INFORMATION

Director	Mr A Vollmer
Secretary	Palmerston Secretaries Limited
Company number	06427770
Registered office	Palmerston House 814 Brighton Road PURLEY Surrey CR8 2BR
Auditor	Turpin Barker Armstrong Allen House 1 Westmead Road SUTTON Surrey SM1 4LA
Bankers	HSBC Bank plc 75 High Street Sutton Surrey SM1 1DU

HORN CUTTING TOOLS LIMITED

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HORN CUTTING TOOLS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents the strategic report for the year ended 31 December 2015.

Fair review of the business

Turnover has decreased from £9.7m to £9.0m in the year. This has been due to lack of investment from customers involved in the oil and gas industries, particularly in Scotland. A provision for slow moving / obsolete stock has also reduced the gross profit compared to 2014. The gross margin percentage increased from 56% to 58% due to the favourable exchange rate.

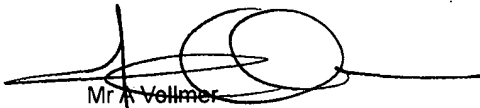
Administrative expenses were higher this year despite the bi-annual MACH trade show not taking place. The main increases were in staff cost, repairs and advertising.

Salary cost increased due to employing a salesman in Ireland as well as the usual annual inflationary increase. This despite commission decreasing in line with the reduced turnover.

Machine repairs on the older equipment accounted for the main increase in repairs. Advertising increased due to less cost being recharged to the parent company and increased general advertising/sponsorship costs.

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 remain at a similar level in 2015 and to improve in the foreseeable future.

On behalf of the board



Mr A. Vollmer
Director

28 September 2016

HORN CUTTING TOOLS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his annual report and financial statements for the year ended 31 December 2015.

Principal activities

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

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr A Vollmer

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Future developments

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

Auditor

Turpin Barker Armstrong were appointed as auditor 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr A Vollmer
Director

28 September 2016

HORN CUTTING TOOLS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director is responsible for preparing the annual 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 them 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.

HORN CUTTING TOOLS LIMITED

INDEPENDENT AUDITOR'S 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 18, together with the financial statements of Horn Cutting Tools Limited for the year ended 31 December 2015 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 company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

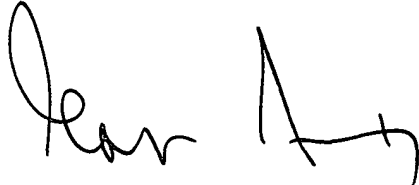
Respective responsibilities of the director and auditor

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 Martin Armstrong FCCA FABRP FIPA MBA (Senior Statutory Auditor)
for and on behalf of Turpin Barker Armstrong

29 September 2016

Chartered Certified Accountants
Statutory Auditor

Allen House
1 Westmead Road
SUTTON
Surrey
SM1 4LA

HORN CUTTING TOOLS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	9,008,582	9,703,655
Other operating income and cost of sales		(3,782,743)	(4,292,223)
Distribution costs		(72,694)	(66,769)
Administrative expenses		(4,211,602)	(4,010,888)
Operating profit	4	941,543	1,333,775
Interest receivable and similar income	6	4,937	5,475
Profit before taxation		946,480	1,339,250
Taxation	7	(200,063)	(296,346)
Profit for the financial year		746,417	1,042,904

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

HORN CUTTING TOOLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Profit for the year	746,417	1,042,904
Other comprehensive income	-	-
Total comprehensive income for the year	746,417	1,042,904

HORN CUTTING TOOLS LIMITED

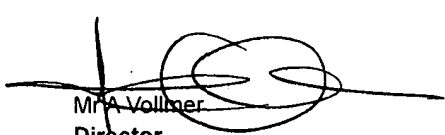
BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	8		991,546		1,159,887
Current assets					
Stocks	9	606,080		634,022	
Debtors	10	2,007,322		2,444,787	
Cash at bank and in hand		2,518,149		1,465,880	
		<u>5,131,551</u>		<u>4,544,689</u>	
Creditors: amounts falling due within one year	11	<u>(3,024,802)</u>		<u>(3,340,679)</u>	
Net current assets			<u>2,106,749</u>		<u>1,204,010</u>
Total assets less current liabilities			<u>3,098,295</u>		<u>2,363,897</u>
Provisions for liabilities	13		<u>(79,772)</u>		<u>(91,791)</u>
Net assets			<u><u>3,018,523</u></u>		<u><u>2,272,106</u></u>
Capital and reserves					
Called up share capital	15	10,000		10,000	
Profit and loss reserves		<u>3,008,523</u>		<u>2,262,106</u>	
Total equity			<u><u>3,018,523</u></u>		<u><u>2,272,106</u></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.

The financial statements were approved and signed by the director and authorised for issue on 28 September 2016


Mr A Vollmer
Director

Company Registration No. 06427770

HORN CUTTING TOOLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		10,000	1,219,202	1,229,202
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	1,042,904	1,042,904
Balance at 31 December 2014		10,000	2,262,106	2,272,106
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	746,417	746,417
Balance at 31 December 2015		10,000	3,008,523	3,018,523

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Horn Cutting Tools Limited is a company limited by shares incorporated in England and Wales. The registered office is Palmerston House, 814 Brighton Road, PURLEY, Surrey, CR8 2BR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Horn Cutting Tools Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

A provision has been made for slow moving / obsolete stock.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue

	2015 £	2014 £
Total turnover	9,008,582	9,703,655

Other significant revenue

Interest income	4,937	5,475
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4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(22,976)	(57,752)
Fees payable to the company's auditor for the audit of the company's financial statements	7,700	7,000
Depreciation of owned tangible fixed assets	298,269	250,378
Loss on disposal of tangible fixed assets	14,268	41,503
Cost of stocks recognised as an expense	3,782,743	4,292,223
Operating lease charges	109,152	104,646

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Manufacturing	29	28
Selling and Administration	26	26
	55	54

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,014,683	1,970,054
Social security costs	231,436	224,738
Pension costs	207,515	154,444
	2,453,634	2,349,236

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	4,373	5,163
Other interest income	564	312
Total income	4,937	5,475

7 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	212,082	278,229
Deferred tax		
Origination and reversal of timing differences	(12,019)	18,117
Total tax charge	200,063	296,346

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	946,480	1,339,250
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	191,662	287,805
Tax effect of expenses that are not deductible in determining taxable profit	76,000	78,317
Permanent capital allowances in excess of depreciation	(67,564)	(69,704)
Other non-reversing timing differences	(35)	(72)
Tax expense for the year	200,063	296,346

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	920,912	1,119,053
Amounts due to group undertakings	1,553,585	1,555,456
Corporation tax	77,082	123,229
Other taxation and social security	361,931	400,034
Accruals and deferred income	111,292	142,907
	<u>3,024,802</u>	<u>3,340,679</u>

12 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	79,772	91,791
	<u>79,772</u>	<u>91,791</u>

13 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated Capital Allowances	<u>79,772</u>	<u>91,791</u>
Movements in the year:		2015 £
Liability at 1 January 2015		91,791
Credit to profit or loss		(12,019)
Liability at 31 December 2015		<u>79,772</u>

The deferred tax liability set out relates to accelerated capital allowances.

HORN CUTTING TOOLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	207,515	154,444

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £207,515 (2014 - £154,444).

15 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
10,000 of £1 each	10,000	10,000
Issued and fully paid		
10,000 of £1 each	10,000	10,000

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Between two and five years	51,000	51,000

17 Related party transactions

No guarantees have been given or received.

18 Controlling party

The ultimate controlling party is Horn S.A, incorporated in Luxembourg.

Copies of the group accounts can be obtained from Horn S.A, 19 Rue de Bitbourg, L-1273, Luxembourg.