

SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

TUESDAY



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COMPANIES HOUSE

SALOP DESIGN & ENGINEERING LIMITED

COMPANY INFORMATION

DIRECTORS

Richard A Homden
Mrs Gillian M Homden
Richard L Homden
Roger D Emery

SECRETARY

Ben Russell

COMPANY NUMBER

895927

REGISTERED OFFICE

Brixton Way
Harlescott Industrial Estate
Shrewsbury
Shropshire
SY1 3LB

AUDITORS

Whittingham Riddell LLP
Chartered Accountants & Registered Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

BANKERS

Barclays Bank Plc
Castle Street
Shrewsbury
Shropshire
SY1 2BU

SOLICITORS

Turnball Garrard
24 The Crescent
Shrewsbury
Shropshire
SY1 1TJ

SALOP DESIGN & ENGINEERING LIMITED

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SALOP DESIGN & ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements for the year ended 31 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and 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 directors are responsible for keeping proper accounting records that 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 1985. They are 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.

PRINCIPAL ACTIVITIES

The main activity of the business remains the manufacturing and production of precision metal pressings and assemblies predominantly for the UK Automotive and Domestic Appliance Industries.

BUSINESS REVIEW

Automotive and White Goods manufacturing in the UK continues to face significant pressures from Eastern European countries.

Turnover in the year has dropped by just over 4%, but the gross profit percentage has increased from 11% in 2007 to 13% in 2008. This is largely down to efficiency drives and the reduction in permanent staff with a shift to using more temporary labour. This can be seen in another reduction in average staff numbers from 106 in 2007 to 77 in 2008. Together with increased shop floor responsibilities on Quality Standards, there has been no detrimental effect on the quality of production.

There has been a far greater awareness of KPIs with all production management now conversant with the IT system. This has led to a more timely awareness of costings and a more focused approach on budgeting and spending.

Salop Design has successfully retained the TS16949 quality standard and has yet again performed well in all independent audits of the quality and management system.

Profit on ordinary activities before taxation has seen a significant increase to £160k in 2008 compared to £20k in 2007.

SALOP DESIGN & ENGINEERING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £125,494 (2007 - £57,520)

The directors do not recommend the payment of a dividend (2007 £NIL)

DIRECTORS

The directors who served during the year were

Richard A Homden
Mrs Gillian M Homden
Richard L Homden
Roger D Emery

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 6 June 2008 and signed on its behalf


Ben Russell
Secretary

SALOP DESIGN & ENGINEERING LIMITED

**INDEPENDENT AUDITORS' REPORT TO SALOP DESIGN & ENGINEERING LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Salop Design & Engineering Limited for the year ended 31 March 2008 set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. 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 DIRECTORS AND AUDITORS

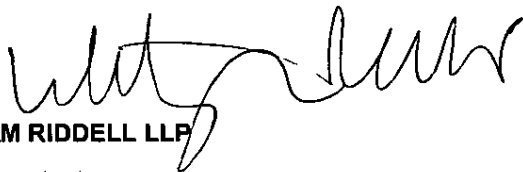
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' report on abbreviated accounts in the United Kingdom' 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 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with that provision.



WHITTINGHAM RIDDELL LLP

Chartered Accountants
Registered Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

23 June 2008

SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
GROSS PROFIT		1,419,750	1,287,108
Selling and distribution costs		(306,085)	(296,600)
Administrative expenses		(885,363)	(922,554)
OPERATING PROFIT	2	228,302	67,954
Interest receivable		26,638	28,428
Interest payable	5	(94,443)	(76,589)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		160,497	19,793
Tax on profit on ordinary activities	6	(35,003)	37,727
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	125,494	57,520

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements


SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	7		1,799,514		2,049,207
CURRENT ASSETS					
Stocks	8	800,528		930,603	
Debtors	9	3,155,519		2,452,183	
Cash at bank and in hand		553,505		511,435	
			<u>4,509,552</u>	<u>3,894,221</u>	
CREDITORS: amounts falling due within one year	10	(1,993,809)		(1,623,359)	
NET CURRENT ASSETS			<u>2,515,743</u>		<u>2,270,862</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,315,257</u>		<u>4,320,069</u>
CREDITORS amounts falling due after more than one year	11		(1,600,000)		(1,700,000)
PROVISIONS FOR LIABILITIES					
Deferred Tax	12		(391,319)		(421,625)
NET ASSETS			<u><u>2,323,938</u></u>		<u><u>2,198,444</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		20,100		20,100
Profit and loss account	14		2,303,838		2,178,344
SHAREHOLDERS' FUNDS	15		<u><u>2,323,938</u></u>		<u><u>2,198,444</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 6 June 2008

Richard A Homden
Director



The notes on pages 7 to 14 form part of these financial statements

SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	16	140,254	(162,286)
Returns on investments and servicing of finance	17	(67,805)	(48,161)
Taxation		(23,447)	113,278
Capital expenditure and financial investment	17	(6,932)	(46,848)
INCREASE/(DECREASE) IN CASH IN THE YEAR		42,070	(144,017)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2008**

	2008 £	2007 £
Increase/(Decrease) in cash in the year	42,070	(144,017)
MOVEMENT IN NET DEBT IN THE YEAR	42,070	(144,017)
Net funds at 1 April 2007	511,435	655,452
NET FUNDS AT 31 MARCH 2008	553,505	511,435

The notes on pages 7 to 14 form part of these financial statements

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & Machinery	- 7.5 - 25% reducing balance
Motor Vehicles	- 33.3333% reducing balance

1.4 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.5 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

1 ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2008 £	2007 £
Depreciation of tangible fixed assets - owned by the company	255,808	296,749
Auditors' remuneration	7,000	6,677
Difference on foreign exchange	2,077	(6,902)
	<u>264,885</u>	<u>306,524</u>

3 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2008 £	2007 £
Wages and salaries	1,642,651	2,190,905
Social security costs	155,610	217,366
Other pension costs	20,852	19,900
	<u>1,819,113</u>	<u>2,428,171</u>

The average monthly number of employees, including the directors, during the year was as follows

	2008 No	2007 No
Production	64	92
Administration	13	14
	<u>77</u>	<u>106</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

4 DIRECTORS' REMUNERATION

	2008 £	2007 £
Emoluments	<u>187,473</u>	<u>272,971</u>
Company pension contributions to money purchase pension schemes	<u>14,000</u>	<u>17,500</u>

During the year retirement benefits were accruing to 1 director (2007 - 2) in respect of money purchase pension schemes

The highest paid director received remuneration of £75,575 (2007 - £74,013)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £NIL (2007 - £10,000)

5. INTEREST PAYABLE

	2008 £	2007 £
On loans from group undertakings	<u>94,443</u>	<u>76,589</u>

6. TAXATION

	2008 £	2007 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	68,588	23,448
Adjustments in respect of prior periods	(3,279)	-
Total current tax	<u>65,309</u>	<u>23,448</u>
Deferred tax		
Origination and reversal of timing differences	(30,306)	(28,989)
Effect of increased tax rate on opening liability	-	(32,186)
Total deferred tax (see note 12)	<u>(30,306)</u>	<u>(61,175)</u>
Tax on profit on ordinary activities	<u>35,003</u>	<u>(37,727)</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

6 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2007 - *lower than*) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	<u>160,497</u>	<u>19,793</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 - 19%)	48,149	3,761
Effects of		
Depreciation in excess of capital allowances for year	32,225	19,658
Marginal rate relief	(12,031)	-
Adjustments to tax charge in respect of prior periods	(3,279)	-
Other adjustments	245	29
Current tax charge for the year (see note above)	<u><u>65,309</u></u>	<u><u>23,448</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2007	5,458,439	78,887	5,537,326
Additions	13,930	-	13,930
Disposals	-	(55,640)	(55,640)
At 31 March 2008	<u>5,472,369</u>	<u>23,247</u>	<u>5,495,616</u>
Depreciation			
At 1 April 2007	3,424,689	63,430	3,488,119
Charge for the year	251,976	3,832	255,808
On disposals	-	(47,825)	(47,825)
At 31 March 2008	<u>3,676,665</u>	<u>19,437</u>	<u>3,696,102</u>
Net book value			
At 31 March 2008	<u><u>1,795,704</u></u>	<u><u>3,810</u></u>	<u><u>1,799,514</u></u>
At 31 March 2007	<u><u>2,033,750</u></u>	<u><u>15,457</u></u>	<u><u>2,049,207</u></u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

8 STOCKS

	2008 £	2007 £
Raw materials	433,194	477,338
Work in progress	66,959	135,663
Finished goods and goods for resale	300,375	317,602
	<u>800,528</u>	<u>930,603</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

9 DEBTORS

	2008 £	2007 £
Trade debtors	3,104,957	2,397,080
Other debtors	4,323	11,300
Prepayments and accrued income	46,239	43,803
	<u>3,155,519</u>	<u>2,452,183</u>

10 CREDITORS

Amounts falling due within one year

	2008 £	2007 £
Trade creditors	1,644,283	1,331,874
Amounts owed to group undertakings	-	23,166
Corporation tax	68,588	26,726
Social security and other taxes	112,191	149,278
Accruals and deferred income	168,747	92,315
	<u>1,993,809</u>	<u>1,623,359</u>

11 CREDITORS

Amounts falling due after more than one year

	2008 £	2007 £
Amounts owed to group undertakings	<u>1,600,000</u>	<u>1,700,000</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

11. CREDITORS.

Amounts falling due after more than one year (continued)

Amounts due to group undertaking are secured by a debenture in the favour of R A Homden Limited to the value of £1,200,000 dated 9 March 1999 over all all assets and undertakings

12 DEFERRED TAXATION

	2008	2007
	£	£
At 1 April 2007	421,625	482,800
Released during the year	(30,306)	(61,175)
	<hr/>	<hr/>
At 31 March 2008	391,319	421,625
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows

	2008	2007
	£	£
Accelerated capital allowances	391,319	421,625
	<hr/>	<hr/>

13. SHARE CAPITAL

	2008	2007
	£	£
Authorised, allotted, called up and fully paid		
20,100 Ordinary shares of £1 each	20,100	20,100
	<hr/>	<hr/>

14. RESERVES

	Profit and loss account £
At 1 April 2007	2,178,344
Profit for the year	125,494
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At 31 March 2008	2,303,838
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SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	2,198,444	2,140,924
Profit for the year	125,494	57,520
Closing shareholders' funds	<u>2,323,938</u>	<u>2,198,444</u>

16 NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	228,302	67,954
Depreciation of tangible fixed assets	255,808	296,749
Loss/(profit) on disposal of tangible fixed assets	817	(229)
Decrease/(increase) in stocks	130,075	(117,900)
(Increase)/decrease in debtors	(703,336)	587,744
Increase/(decrease) in creditors	351,754	(1,506,356)
(Decrease)/increase in amounts owed to group undertakings	(123,166)	509,752
Net cash inflow/(outflow) from operations	<u>140,254</u>	<u>(162,286)</u>

17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	26,638	28,428
Interest paid	(94,443)	(76,589)
Net cash outflow from returns on investments and servicing of finance	<u>(67,805)</u>	<u>(48,161)</u>
	2008 £	2007 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(13,930)	(48,123)
Sale of tangible fixed assets	6,998	1,275
Net cash outflow from capital expenditure	<u>(6,932)</u>	<u>(46,848)</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

18 ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2007 £	Cash flow £	Other non-cash changes £	31 March 2008 £
Cash at bank and in hand	511,435	42,070	-	553,505
Net funds	511,435	42,070	-	553,505

19 PENSION COMMITMENTS

The company operates a defined contributions pension scheme for the benefits of directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,852 (2007 £19,900)

20. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	2008 £	2007 £
Expiry date		
Between 2 and 5 years	28,194	28,194

21. RELATED PARTY TRANSACTIONS

During the year the company paid rent of £165,000 (2007 £165,000), management charges of £100,000 (2007 £100,000) and loan interest of £94,443 (2007 £76,589) to its holding company R A Homden Limited. At 31 March 2008 the company owed £1,600,000 (2007 £1,723,166) to R A Homden Limited.

Mr R A Homden is a director of Salop Haulage Limited, which provided transport services of £254,178 (2007 £296,600) to the company on normal commercial terms. At the year end the balance due to Salop Haulage Limited was £49,744 (2007 £47,694).

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate holding company is R A Homden Limited, which is a company registered in the UK.