

SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

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COMPANIES HOUSE

SALOP DESIGN & ENGINEERING LIMITED

COMPANY INFORMATION

DIRECTORS

Gillian M Homden
Richard L Homden
Ben I Russell (resigned 31 January 2013)
Lee Pearson
Chris Greenough

REGISTERED NUMBER

00895927

REGISTERED OFFICE

Brixton Way
Harlescott Industrial Estate
Shrewsbury
Shropshire
SY1 3LB

INDEPENDENT AUDITORS

Whittingham Riddell LLP
Chartered Accountants & Statutory 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 2013

The directors present their report and the financial statements for the year ended 31 March 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 directors are 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. 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 Automotive and Domestic Appliance Industries.

BUSINESS REVIEW

External market conditions have still had a significant impact on the business, but it is clear that production volumes are recovering and this is evident with turnover increasing by 7.4% in the year to £7.2m.

Once again the automotive quality standard TS16949 has been successfully retained and the Company has yet again performed very well.

The modest retained loss of £35k represents a reversal in trade following 3 years of consecutive growth and profits. However the trading level was at a breakeven level prior to the effect of a bad debt and scrap rebate accrual being required.

The company hopes to maintain a consistent level of trading going forward with a return to profitability.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £35,329 (2012 - profit £79,333).

The directors do not recommend the payment of a dividend (2012 £NIL).

SALOP DESIGN & ENGINEERING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

DIRECTORS

The directors who served during the year were

Gillian M Homden
Richard L Homden
Ben I Russell (resigned 31 January 2013)
Lee Pearson
Chris Greenough

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
- that 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

Under section 487 of the Companies Act 2006, Whittingham Riddell LLP will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 7 August 2013 and signed on its behalf



Richard L Homden
Director

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SALOP DESIGN & ENGINEERING LIMITED

**INDEPENDENT AUDITORS' REPORT TO SALOP DESIGN & ENGINEERING LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes, together with the financial statements of Salop Design & Engineering Limited for the year ended 31 March 2013 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 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 DIRECTORS AND AUDITORS

The directors are 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 are properly prepared.

OPINION ON FINANCIAL STATEMENTS

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 which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.



Timothy Jones BSc FCA (Senior statutory auditor)

for and on behalf of
Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

12 September 2013

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SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1	7,204,450	6,702,587
GROSS PROFIT		1,017,860	1,090,600
Distribution costs		(252,615)	(261,367)
Administrative expenses		(823,281)	(752,619)
OPERATING (LOSS)/PROFIT	2	(58,036)	76,614
Interest receivable and similar income		-	17
Interest payable and similar charges	5	(5,500)	(5,515)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(63,536)	71,116
Tax on (loss)/profit on ordinary activities	6	28,207	8,217
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	(35,329)	79,333

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 6 to 13 form part of these financial statements

SALOP DESIGN & ENGINEERING LIMITED
REGISTERED NUMBER: 00895927

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	1,229,461	1,278,333
CURRENT ASSETS			
Stocks	8	654,386	519,924
Debtors	9	2,406,226	1,781,187
Cash at bank and in hand		333,660	241,158
		<u>3,394,272</u>	<u>2,542,269</u>
CREDITORS: amounts falling due within one year	10	<u>(1,968,914)</u>	<u>(1,102,247)</u>
NET CURRENT ASSETS		<u>1,425,358</u>	<u>1,440,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,654,819</u>	<u>2,718,355</u>
CREDITORS: amounts falling due after more than one year	11	(1,100,000)	(1,100,000)
PROVISIONS FOR LIABILITIES			
Deferred Tax	12	<u>(141,714)</u>	<u>(169,921)</u>
NET ASSETS		<u><u>1,413,105</u></u>	<u><u>1,448,434</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	20,100	20,100
Profit and loss account	14	<u>1,393,005</u>	<u>1,428,334</u>
SHAREHOLDERS' FUNDS	15	<u><u>1,413,105</u></u>	<u><u>1,448,434</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 7 August 2013



Richard L Homden
Director

The notes on pages 6 to 13 form part of these financial statements

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

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 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax 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 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 3% reducing balance

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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

1.6 Stocks and work in progress

Stocks and work in progress 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

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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

1.9 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 (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	152,600	156,000
Auditors' remuneration	7,130	7,050
Difference on foreign exchange	23,591	24,298
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SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	1,393,282	1,217,578
Social security costs	131,218	119,608
Other pension costs	9,600	9,600
	<u>1,534,100</u>	<u>1,346,786</u>

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

	2013 No.	2012 No
Production	64	56
Administration	3	4
	<u>67</u>	<u>60</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

4 DIRECTORS' REMUNERATION

	2013 £	2012 £
Emoluments	176,405	207,269
Company pension contributions to defined contribution pension schemes	9,600	9,600

During the year retirement benefits were accruing to 3 directors (2012 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £51,693 (2012 - £62,110)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,600 (2012 - £NIL)

5. INTEREST PAYABLE

	2013 £	2012 £
On loans from group undertakings	5,500	5,515

6 TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Deferred tax (see note 12)		
Origination and reversal of timing differences	(28,207)	(8,217)
Tax on (loss)/profit on ordinary activities	(28,207)	(8,217)

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *lower than*) the standard rate of corporation tax in the UK of 20% (2012 - 26%) The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	<u>(63,536)</u>	<u>71,116</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 26%)	(12,707)	18,490
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,000)	-
Depreciation in excess of capital allowances for year	17,554	14,303
Utilisation of tax losses	(3,847)	(15,683)
Book profit on chargeable assets	-	(17,110)
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There are tax losses carried forward at 31st March 2013 of £431,862 which will be used against any future trading profits generated within the company

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
At 1 April 2012	5,300,216	3,000	5,303,216
Additions	103,728	-	103,728
At 31 March 2013	<u>5,403,944</u>	<u>3,000</u>	<u>5,406,944</u>
Depreciation			
At 1 April 2012	4,021,884	2,999	4,024,883
Charge for the year	152,600	-	152,600
At 31 March 2013	<u>4,174,484</u>	<u>2,999</u>	<u>4,177,483</u>
Net book value			
At 31 March 2013	<u>1,229,460</u>	<u>1</u>	<u>1,229,461</u>
At 31 March 2012	<u>1,278,332</u>	<u>1</u>	<u>1,278,333</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

8. STOCKS

	2013 £	2012 £
Raw materials	265,728	176,985
Work in progress	162,998	97,150
Finished goods and goods for resale	225,660	245,789
	<u>654,386</u>	<u>519,924</u>

9 DEBTORS

	2013 £	2012 £
Trade debtors	2,018,947	1,728,720
Amounts owed by group undertakings	384,648	-
Prepayments and accrued income	2,631	52,467
	<u>2,406,226</u>	<u>1,781,187</u>

**10. CREDITORS.
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	1,206,882	870,729
Social security and other taxes	255,744	100,002
Other creditors	683	-
Accruals and deferred income	505,605	131,516
	<u>1,968,914</u>	<u>1,102,247</u>

**11. CREDITORS:
Amounts falling due after more than one year**

	2013 £	2012 £
Amounts owed to group undertakings	<u>1,100,000</u>	<u>1,100,000</u>

Amounts due to group undertakings 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 assets and undertakings

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

12 DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	169,921	178,138
Released during year	(28,207)	(8,217)
At end of year	<u>141,714</u>	<u>169,921</u>

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	244,124	283,945
Losses and other deductions	(102,410)	(114,024)
	<u>141,714</u>	<u>169,921</u>

13. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid 20,100 Ordinary shares of £1 each	<u>20,100</u>	<u>20,100</u>

14. RESERVES

	Profit and loss account £
At 1 April 2012	1,428,334
Loss for the year	(35,329)
At 31 March 2013	<u>1,393,005</u>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	1,448,434	1,369,101
(Loss)/profit for the year	(35,329)	79,333
Closing shareholders' funds	<u>1,413,105</u>	<u>1,448,434</u>

SALOP DESIGN & ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

16 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 £9,600 (2012 £9,600)

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is R A Homden Limited, which is a company registered in the UK