

**SALOP DESIGN & ENGINEERING LIMITED**

**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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## **SALOP DESIGN & ENGINEERING LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Richard A Homden Gillian M Homden Richard L Homden Ben I Russell
<b>COMPANY SECRETARY</b>	Ben I Russell
<b>COMPANY NUMBER</b>	895927
<b>REGISTERED OFFICE</b>	Brixton Way Harlescott Industrial Estate Shrewsbury Shropshire SY1 3LB
<b>AUDITORS</b>	Whittingham Riddell LLP Chartered Accountants and Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
<b>BANKERS</b>	Barclays Bank Plc Castle Street Shrewsbury Shropshire SY1 2BU
<b>SOLICITORS</b>	Turnball Garrard 24 The Crescent Shrewsbury Shropshire SY1 1TJ

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**SALOP DESIGN & ENGINEERING LIMITED**

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## **SALOP DESIGN & ENGINEERING LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010**

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The directors present their report and the financial statements for the year ended 31 March 2010

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 UK Automotive and Domestic Appliance Industries.

#### **BUSINESS REVIEW**

The external market conditions for the first six months of the year continued in the same vein as the previous financial year. Further staff reductions were sadly required resulting in exceptional redundancy costs towards the end of 2009.

Certain internal procedures were re-structured and a detailed costing exercise was undertaken across all areas of the site. Through a combination of the restructuring and the new direction of the business, the final four months of the year have been profitable.

Despite a loss in the year, there has been a positive effect on cash flow. Stock has reduced by 45% including a £90k write down of old obsolete stock. The improvement on working capital has allowed another £150k to be paid off the inter-company loan reducing it to the lowest level for over four years.

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

Salop Design remain committed to the long term and believe the combination of a strong balance sheet and expansion into wider areas of presswork will help drive the company forward.

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## **SALOP DESIGN & ENGINEERING LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010**

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#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £649,627 (2009 - loss £319,297)

The directors do not recommend the payment of a dividend (2009 £NIL)

#### **DIRECTORS**

The directors who served during the year were

Richard A Homden  
Gillian M Homden  
Richard L Homden  
Ben I Russell

#### **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**

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 21 May 2010 and signed on its behalf



**Ben I Russell**  
Director

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**SALOP DESIGN & ENGINEERING LIMITED**

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

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We have examined the abbreviated accounts set out on pages 4 to 12, together with the financial statements of Salop Design & Engineering Limited for the year ended 31 March 2010 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.

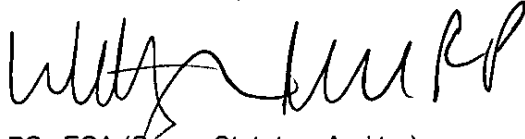
**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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**

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 on pages 4 to 12 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 and Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

18 June 2010

**SALOP DESIGN & ENGINEERING LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>TURNOVER</b>	1	<b>4,884,308</b>	<b>8,487,906</b>
<b>GROSS PROFIT</b>		<b>208,027</b>	<b>718,098</b>
Selling and distribution costs		<b>(207,713)</b>	<b>(327,799)</b>
Administrative expenses		<b>(650,658)</b>	<b>(751,875)</b>
Exceptional administrative expenses	3	<b>(185,566)</b>	<b>-</b>
Total administrative expenses		<b>(836,224)</b>	<b>(751,875)</b>
<b>OPERATING LOSS</b>	2	<b>(835,910)</b>	<b>(361,576)</b>
Interest receivable		<b>121</b>	<b>17,227</b>
Interest payable	5	<b>(6,544)</b>	<b>(50,238)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(842,333)</b>	<b>(394,587)</b>
Tax on loss on ordinary activities	6	<b>192,706</b>	<b>75,290</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(649,627)</b>	<b>(319,297)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 6 to 12 form part of these financial statements

**SALOP DESIGN & ENGINEERING LIMITED**  
**REGISTERED NUMBER: 895927**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2010**

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	1,554,428	1,592,639
<b>CURRENT ASSETS</b>			
Stocks	8	420,252	768,189
Debtors	9	973,850	1,312,960
Cash at bank and in hand		164,982	343,849
		<u>1,559,084</u>	<u>2,424,998</u>
<b>CREDITORS</b> amounts falling due within one year	10	<u>(496,587)</u>	<u>(408,103)</u>
<b>NET CURRENT ASSETS</b>		<u>1,062,497</u>	<u>2,016,895</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,616,925</u>	<u>3,609,534</u>
<b>CREDITORS:</b> amounts falling due after more than one year	11	(1,100,000)	(1,250,276)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred Tax	12	<u>(161,911)</u>	<u>(354,617)</u>
<b>NET ASSETS</b>		<u><u>1,355,014</u></u>	<u><u>2,004,641</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	20,100	20,100
Profit and loss account	14	<u>1,334,914</u>	<u>1,984,541</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u><u>1,355,014</u></u>	<u><u>2,004,641</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on 21 May 2010



**Richard A Homden**  
Director

The notes on pages 6 to 12 form part of these financial statements



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## SALOP DESIGN & ENGINEERING LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

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#### 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, 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-	reducing balance
		25%	
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

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## SALOP DESIGN & ENGINEERING LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

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#### 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

The operating loss is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	197,139	239,870
Auditors' remuneration	6,920	6,920
Difference on foreign exchange	876	42,758
Exceptional administrative expenses	185,566	-
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**SALOP DESIGN & ENGINEERING LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	1,036,046	1,548,743
Social security costs	97,022	136,997
Other pension costs	5,179	15,638
	<u>1,138,247</u>	<u>1,701,378</u>

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

	2010 No	2009 No
Production	44	55
Administration	7	13
	<u>51</u>	<u>68</u>

**4. DIRECTORS' REMUNERATION**

	2010 £	2009 £
Emoluments	<u>101,912</u>	<u>103,209</u>
Company pension contributions to money purchase pension schemes	<u>3,615</u>	<u>9,000</u>

During the year retirement benefits were accruing to 1 director (2009 - 1) in respect of money purchase pension schemes

**5. INTEREST PAYABLE**

	2010 £	2009 £
On loans from group undertakings	<u>6,544</u>	<u>50,238</u>

**SALOP DESIGN & ENGINEERING LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**6. TAXATION**

	2010 £	2009 £
<b>Analysis of tax credit in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge/(credit) on loss for the year	-	(38,588)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(193,462)	(36,702)
Adjustments in respect of prior period	756	-
<b>Total deferred tax</b> (see note 12)	(192,706)	(36,702)
<b>Tax on loss on ordinary activities</b>	(192,706)	(75,290)

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 28% (2009 - 28%)

**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 £
<b>Cost</b>			
At 1 April 2009	5,159,727	26,247	5,185,974
Additions	160,297	-	160,297
Disposals	-	(23,247)	(23,247)
At 31 March 2010	5,320,024	3,000	5,323,024
<b>Depreciation</b>			
At 1 April 2009	3,571,308	22,027	3,593,335
Charge for the year	195,733	1,406	197,139
On disposals	-	(21,878)	(21,878)
At 31 March 2010	3,767,041	1,555	3,768,596
<b>Net book value</b>			
At 31 March 2010	1,552,983	1,445	1,554,428
At 31 March 2009	1,588,419	4,220	1,592,639

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**SALOP DESIGN & ENGINEERING LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**8 STOCKS**

	2010 £	2009 £
Raw materials	176,990	409,655
Work in progress	68,417	39,157
Finished goods and goods for resale	174,845	319,377
	<u>420,252</u>	<u>768,189</u>

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

**9. DEBTORS**

	2010 £	2009 £
Trade debtors	959,534	1,232,331
Other debtors	-	68,365
Prepayments and accrued income	14,316	12,264
	<u>973,850</u>	<u>1,312,960</u>

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

	2010 £	2009 £
Trade creditors	422,513	278,079
Social security and other taxes	29,778	75,720
Accruals and deferred income	44,296	54,304
	<u>496,587</u>	<u>408,103</u>

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

	2010 £	2009 £
Amounts owed to group undertakings	<u>1,100,000</u>	<u>1,250,276</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

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**SALOP DESIGN & ENGINEERING LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**12. DEFERRED TAXATION**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>354,617</b>	<b>391,319</b>
Released during year	<b>(192,706)</b>	<b>(36,702)</b>
	<hr/>	<hr/>
At end of year	<b>161,911</b>	<b>354,617</b>
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The provision for deferred taxation is made up as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>338,081</b>	<b>354,617</b>
Losses and other deductions	<b>(176,170)</b>	<b>-</b>
	<hr/>	<hr/>
	<b>161,911</b>	<b>354,617</b>
	<hr/>	<hr/>

**13 SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
20,100 Ordinary shares of £1 each	<b>20,100</b>	<b>20,100</b>
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**SALOP DESIGN & ENGINEERING LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**14. RESERVES**

	<b>Profit and loss account £</b>
At 1 April 2009	<b>1,984,541</b>
Loss for the year	<b>(649,627)</b>
At 31 March 2010	<b><u>1,334,914</u></b>

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2010 £</b>	<b>2009 £</b>
Opening shareholders' funds	<b>2,004,641</b>	<b>2,323,938</b>
Loss for the year	<b>(649,627)</b>	<b>(319,297)</b>
Closing shareholders' funds	<b><u>1,355,014</u></b>	<b><u>2,004,641</u></b>

**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 £5,179 (2009 £15,638).

**17. OPERATING LEASE COMMITMENTS**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2010 £</b>	<b>2009 £</b>
<b>Expiry date.</b>		
Between 2 and 5 years	<b><u>28,194</u></b>	<b><u>28,194</u></b>

**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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