

**HUBER + SUHNER (UK) LIMITED**

**Registered Number: 902205**

**Annual report and financial statements**

**for the year ended 31 December 2012**

FRIDAY



\*A290U7WH\*

A45

24/05/2013

#169

COMPANIES HOUSE

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>Page</b>
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012	<b>1</b>
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUBER+SUHNER (UK) LIMITED	<b>5</b>
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012	<b>7</b>
BALANCE SHEET AS AT 31 DECEMBER 2012	<b>8</b>
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012	<b>9</b>

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors submit their annual report and the audited financial statements of the company for the year ended 31 December 2012

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company's principal activities continues to be that of importing, manufacturing and selling electrical and optical connectivity components and accessories related to the three key markets of Transportation, Communications and Industrial. This is coupled with our increasing level of "Value Add" and systems solutions to effectively differentiate us from the traditional competitors in the UK market.

The turnover for 2012 was down 6.4% relative to the prior year and gross margins increased to 26.2% (2011 22.1%). Third Party sales decreased by 5.4% to £26,562,000 in 2012 (2011 £28,086,000) and inter-group sales decreased to £252,000 in 2012 (2011 £560,000). Additionally, the net profit before taxation rose to 11.1% (2011 9.0%). Overall, this is another excellent result considering the difficult economic trading conditions.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £2,239,000 (2011 £1,869,000). A dividend payment of £2,500,000 was made in 2012 relating to prior years profits (2011 £1,000,000). An interim dividend payment of £2,000,000 was made in 2012 relating to current year profits.

### **STRATEGY**

The company is a part of the Huber+Suhner group whose main objectives are to focus on the 3 x 3 strategy of supplying our 3 core technologies - Fibre Optics, Cable and Radio Frequency into our 3 key markets of Communication, Transportation and Industrial and to introduce new innovative products and solutions that assist growth in those markets and in our core technologies.

In the UK the company supports the group strategy by operating in the same markets and introducing, promoting and selling the new products and services in the country. The UK has continued to successfully position itself to offer greater total solution packages to all strategic markets thereby differentiating itself from traditional component competitors.

### **RESEARCH AND DEVELOPMENT**

New product research and development is only carried out by our parent company. The Huber+Suhner group is committed to introducing new products and continues to invest in research and development.

### **FUTURE OUTLOOK**

We expect conditions in all our markets to be tough in 2013 with the likelihood that the year will be flat or minimal growth at 2-3%. Transportation is expected to decline by 23% in 2013 due to the lack of new rolling stock builds by the UK's main train builder although this could have been greater had Huber + Suhner (UK) Limited not become responsible for a number of group cable system projects. The Communications market is expected to grow by around 9% which is mainly on the back of 4G investment, FTTA and Data centres and the Industrial market about 5%. Competition remains very tough with weak sterling, low interest rates and high inflation having an effect. Continued planned central government cuts will affect growth in the Defence part of our business. The UK economy remains in one of the most uncertain states in modern times with growth projection for 2013 ranging from flat to +1%.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key business risks and uncertainties affecting the company relate to the UK economic situation as well as changes in product technology and the negative fluctuation in the key exchange rates versus sterling. The government awards of major new rolling stock contracts to offshore suppliers has had an effect on our longer term position in the Transportation market and although UK infrastructure spend is planned, it is sometime in the future.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)**

### **FINANCIAL RISK MANAGEMENT POLICY**

In the ordinary course of business, the company is exposed to a variety of financial risks that include price risk, credit risk, exchange rate risk and liquidity risk. Company management monitors these risks regularly and makes every effort to minimise negative influences on the company's financial results.

#### **Price risk**

The company monitors the market prices and takes action to adjust prices where there are movements in commodity prices. Large material purchases are selectively hedged by the parent company at a group level.

#### **Credit risk**

The credit risk for sales debtors from trading is limited by the market spread of customers. In addition, this risk is reduced by regular checks of creditworthiness, withdrawing credit for slow payers and requesting cash with the order.

#### **Exchange rate risk**

The company is exposed directly to two currencies, the Euro and the US Dollar, from sales to customers and a limited amount of local purchases. The risk is minimised by including currency fluctuation clauses in some contracts. The parent company uses foreign exchange forward contracts and options to control foreign currency risks for incoming and outgoing payments at a group level.

#### **Liquidity risk**

Where necessary the company negotiates local facilities with UK financial institutions. In addition, the group will give liquidity support if required.

### **KEY PERFORMANCE INDICATORS ("KPIs")**

Key Performance Indicators are in place covering everything from efficiency and productivity to quote conversion, sales and orders and local and consolidated profit. KPI's are a fundamental part of the corporations' Global Management System (GMS).

### **DIRECTORS**

The directors, who served throughout the year and up to the date of signing the financial statements, are as follows:

P Harris  
U Kaufmann  
I Wechsler

### **DISABLED EMPLOYEES**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **EMPLOYEE INVOLVEMENT**

Regular meetings are held between local management and employees to allow a free flow of information and ideas together with a suggestion scheme focussed on continuous improvement.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)**

### **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 prepared 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

### **DIRECTORS' INDEMNITIES**

The parent company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)**

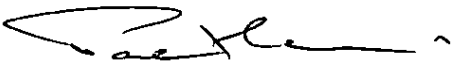
### **DISCLOSURE OF INFORMATION TO AUDITORS**

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



**P Harris**  
**Director**

17 May 2013

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUBER+SUHNER (UK) LIMITED**

We have audited the financial statements of Huber+Suhner (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HUBER+SUHNER (UK) LIMITED (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Matthew Walker*

Matthew Walker (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
17 May 2013



**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2012

	<i>Notes</i>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
<b>TURNOVER</b>	<b>3</b>	<b>26,814</b>	<b>28,646</b>
Cost of sales		<u>(19,787)</u>	<u>(22,320)</u>
<b>GROSS PROFIT</b>		<b>7,027</b>	<b>6,326</b>
Distribution costs		<u>(459)</u>	<u>(551)</u>
Administrative expenses		<u>(3,564)</u>	<u>(3,209)</u>
		<u>(4,023)</u>	<u>(3,760)</u>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>3,004</b>	<b>2,566</b>
Interest payable and similar charges	7	(31)	(7)
Interest receivable and similar income	8	10	8
		<u>(21)</u>	<u>1</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,983</b>	<b>2,567</b>
Tax on profit on ordinary activities	9	(744)	(698)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>19</b>	<b>2,239</b>	<b>1,869</b>

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

All operations relate to continuing activities

REGISTERED NUMBER: 902205

**BALANCE SHEET**  
as at 31 December 2012

	Notes	2012 £000	2011 £000
<b>FIXED ASSETS</b>			
Tangible assets	12	<u>1,707</u>	<u>1,809</u>
<b>CURRENT ASSETS</b>			
Stocks	13	4,170	2,830
Debtors	14	4,928	3,842
Cash at bank and in hand		1,758	2,975
		<u>10,856</u>	<u>9,647</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(5,616)</u>	<u>(3,750)</u>
<b>NET CURRENT ASSETS</b>		5,240	5,897
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,947</u>	<u>7,706</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16	(1,500)	-
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(66)</u>	<u>(64)</u>
<b>NET ASSETS</b>		<u>5,381</u>	<u>7,642</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	4,000	4,000
Profit and loss account	19	1,381	3,642
<b>TOTAL SHAREHOLDERS' FUNDS</b>	20	<u>5,381</u>	<u>7,642</u>

The financial statements on pages 7 to 17 were approved by the board of directors on 17 May 2013 and were signed on its behalf by



**P Harris**  
Director

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

### I ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied on a consistent basis, are set out below.

#### *Turnover*

Turnover, which is stated net of value added tax, represents the invoiced value of goods and services supplied. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is usually on despatch of goods and on completion of services.

#### *Long term contracts*

Turnover and a prudent estimate of the profit attributable to work completed on long term contracts is recognised once the outcome of the contract can be recognised with reasonable certainty, which is normally based on sign-offs received from the customer. The costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses are shown in stocks as long term contract balances. Long term contract costs incurred but yet to be received are shown in accruals. Foreseeable losses are recognised in full, and to the extent they exceed costs incurred to date are included within provisions.

#### *Provisions policy*

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### *Tangible fixed assets and depreciation*

Fixed assets are valued at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	2.5% (2011: 2.0%)
Plant and equipment	-	10% - 20%
Motor vehicles	-	25%
Computer equipment	-	33%

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision has been made, if necessary, for slow moving, obsolete and defective stock.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

### 1 ACCOUNTING POLICIES (continued)

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### *Leasing*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Huber+Suhner AG and is included in the consolidated financial statements of Huber+Suhner AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" and has not disclosed details of transactions with other undertakings included within the published financial statements of Huber+Suhner AG, the ultimate parent undertaking.

### 3 TURNOVER

An analysis of turnover by destination is as follows

	2012 £000	2011 £000
United Kingdom	24,075	27,670
Switzerland	147	92
Rest of the World	2,592	884
	<u>26,814</u>	<u>28,646</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2012 (continued)**

**3 TURNOVER (continued)**

An analysis of turnover by the three core technologies is as follows

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Radio Frequency	8,153	6,712
Fibre Optics	9,205	7,524
Cable	9,456	14,410
	<u>26,814</u>	<u>28,646</u>

A financial analysis by market segment (i.e. Transportation, Communications and Industrial) is not performed

**4 OPERATING PROFIT**

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
This is stated after charging		
Services provided by the company's auditor		
-Fees payable for the audit	29	32
Depreciation of owned tangible fixed assets (Note 12)	208	198
Exchange loss	43	2
Operating lease charges - plant and machinery	7	7
- other	46	122
	<u>46</u>	<u>122</u>

**5 DIRECTORS' EMOLUMENTS**

There were no directors' emoluments paid during the year in respect of their services to the company, as these are borne by the parent undertaking (2011: £nil)

# NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

## 6 STAFF COSTS

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Wages and salaries	4,089	5,037
Social security costs	377	374
Other pension costs (Note 22)	125	120
	<u>4,591</u>	<u>5,531</u>

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

	<i>2012</i> <i>Number</i>	<i>2011</i> <i>Number</i>
Manufacturing	64	93
Office and management	64	64
	<u>128</u>	<u>157</u>

## 7 INTEREST PAYABLE AND SIMILAR CHARGES

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Interest charged by parent company	30	7
Other interest charged	1	-
	<u>31</u>	<u>7</u>

## 8 INTEREST RECEIVABLE AND SIMILAR INCOME

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Bank interest received	10	7
Other interest received	-	1
	<u>10</u>	<u>8</u>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

### 9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
<b>Current tax:</b>		
UK corporation tax on profits for the year	740	665
Prior year adjustment	<u>2</u>	<u>-</u>
Total current tax (Note 10)	742	665
<b>Deferred tax:</b>		
Deferred tax liability – charge for the year (Note 17)	<u>2</u>	<u>33</u>
Total deferred tax	2	33
Tax on profit on ordinary activities	<u>744</u>	<u>698</u>

#### Factors affecting current and future tax charges

In addition to the changes in rates of Corporation Tax disclosed within the note on taxation, a number of further changes to the UK Corporation tax system have been announced. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate were announced in the 2012 Autumn Statement and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 are both expected to be enacted as part of the Finance Act 2013.

### 10 FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher (2011: lower) than the standard rate of corporation tax in the UK of 26% (April 2012 to December 2012: 24%) (January 2011 to March 2011: 28%) (April 2011 to December 2011: 26%). The differences are explained below:

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
<b>Profit on ordinary activities before tax</b>	<u>2,983</u>	<u>2,567</u>
Profit on ordinary activities multiplied by standard rate in the United Kingdom at 26% (April 2012 to December 2012: 24%) (January 2011 to March 2011: 28%) (April 2011 to December 2011: 26%)	731	680
Effects of:		
Expenses not deductible for tax purposes	6	10
Capital allowances in excess of depreciation	8	(25)
Movement in short term timing differences	(5)	-
Tax adjustment relating to prior year	<u>2</u>	<u>-</u>
Total current tax charge for the year	<u>742</u>	<u>665</u>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

### 11 DIVIDENDS

It was resolved on 31 May 2012 that a dividend of 0.625p per share (£2,500,000) be paid to the parent company. It was resolved on 01 October 2012 that an interim dividend of 0.50p per share (£2,000,000) be paid to the parent company. (2011 - £1,000,000)

### 12 TANGIBLE ASSETS

	<i>Freehold land £000</i>	<i>Freehold buildings £000</i>	<i>Plant and equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
<b>Cost:</b>					
At 1 January 2012	198	2,180	1,442	17	3,837
Additions	-	-	106	-	106
Disposals	-	-	(12)	-	(12)
At 31 December 2012	<b>198</b>	<b>2,180</b>	<b>1,536</b>	<b>17</b>	<b>3,931</b>
<b>Accumulated depreciation:</b>					
At 1 January 2012	-	929	1,086	13	2,028
Provided during the year	-	64	143	1	208
Disposals	-	-	(12)	-	(12)
At 31 December 2012	-	<b>993</b>	<b>1,217</b>	<b>14</b>	<b>2,224</b>
<b>Net book amount:</b>					
At 31 December 2012	<b>198</b>	<b>1,187</b>	<b>319</b>	<b>3</b>	<b>1,707</b>
At 31 December 2011	198	1,251	356	4	1,809

Computer equipment is included within Plant and Equipment

### 13 STOCKS

	<i>2012 £000</i>	<i>2011 £000</i>
Raw materials	529	279
Work in progress	294	260
Finished goods	2,906	1,768
Long term contract balances – work in progress	441	523
	<b>4,170</b>	<b>2,830</b>



# NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

## 14 DEBTORS

Amounts falling due within one year	2012 £000	2011 £000
Trade debtors	4,616	3,688
Amounts owed by group undertakings	160	62
Prepayments and accrued income	152	92
	<u>4,928</u>	<u>3,842</u>

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000	2011 £000
Trade creditors	625	431
Amounts owed to group undertakings	3,384	1,860
Taxation and social security	356	629
Corporation tax	350	390
Other creditors	32	5
Accruals and deferred income	869	435
	<u>5,616</u>	<u>3,750</u>

The loans with other group companies are unsecured, due for repayment by 30 November 2013 and accrue interest at a rate of 2.8% per annum

## 16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>1,500</u>	<u>-</u>

The loans with other group companies are unsecured, due for repayment by 30 June 2014 and accrue interest at a rate of 2.36% per annum

## 17 PROVISIONS FOR LIABILITIES

	Deferred tax £000	Total £000
At 1 January 2012	64	64
Charged to the profit and loss account	2	2

At 31 December 2012

6666

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2012 (continued)**

**17 PROVISIONS FOR LIABILITIES (CONTINUED)**

*Deferred tax*

Treatment of deferred tax asset arising from timing differences is as follows

	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Recognised in Accounts	Unrecognised	Recognised in Accounts	Unrecognised
Accelerated capital allowances	-	-	-	-
Capital losses	-	159	-	173
Other losses	-	-	-	-
<b>Total deferred tax asset</b>	<u>-</u>	<u>159</u>	<u>-</u>	<u>173</u>

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses. The asset in respect of capital losses would be recovered if the company made sufficient suitable chargeable gains are made. The above amounts have been calculated at a tax rate of 23% (2011: 25%).

The movement in the deferred tax liability balance in the year can be summarised as follows

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 January	(64)	(31)
Charged to the profit and loss account – (Note 9)	<u>(2)</u>	<u>(33)</u>
Balance at 31 December	<u>(66)</u>	<u>(64)</u>

**18 CALLED UP SHARE CAPITAL**

*Authorised, allotted and fully paid*

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
4,000,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

**19 PROFIT AND LOSS RESERVE**

	<b>£000</b>
At 1 January 2012	3,642
Dividend paid to group	(4,500)
Profit for the financial year	2,239
<b>At 31 December 2012</b>	<u><b>1,381</b></u>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012 (continued)

### 20 RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	2,239	1,869
Dividends	<u>(4,500)</u>	<u>(1,000)</u>
Net(decrease)/increase to shareholders' funds	(2,261)	869
Opening shareholders' funds	<u>7,642</u>	<u>6,773</u>
Closing shareholders' funds	<u><b>5,381</b></u>	<u><b>7,642</b></u>

### 21 FINANCIAL COMMITMENTS

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operating leases which expire				
Within one year	27	-	-	-
Within two to five years	-	46	6	7
	<u>27</u>	<u>46</u>	<u>6</u>	<u>7</u>

### 22 PENSION COMMITMENTS

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

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Pension costs	<u>125</u>	<u>120</u>

There are no accrued or prepaid pension costs at the year end (2011 £Nil)

### 23 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling entity of the group of undertakings for which group accounts are drawn up and of which the company is a member is Huber+Suhner AG, a company incorporated in Switzerland. Copies of Huber+Suhner AG's accounts can be obtained from Tumbelenstrasse 20, CH-8330 Pfäffikon ZH, Switzerland. The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Huber+Suhner AG.