

Company Registration No. 01030234 (England and Wales)

"O" RINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

PAGES FOR FILING WITH REGISTRAR

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# "O" RINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A G Oldham Mrs A M Oldham Mr C G R Oldham Mr N P Oldham
<b>Secretary</b>	Mrs A M Oldham
<b>Company number</b>	01030234
<b>Registered office</b>	City Gates 2-4 Southgate Chichester West Sussex PO19 8DJ
<b>Auditor</b>	Moore Stephens (South) LLP City Gates 2-4 Southgate Chichester West Sussex PO19 8DJ

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# **"O" RINGS LIMITED**

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# "O" RINGS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	4		24,371		27,662
<b>Current assets</b>					
Stocks		197,815		180,625	
Debtors	5	170,149		201,807	
Cash at bank and in hand		310,491		303,326	
		678,455		685,758	
<b>Creditors: amounts falling due within one year</b>	6	(320,721)		(394,166)	
<b>Net current assets</b>			357,734		291,592
<b>Total assets less current liabilities</b>			382,105		319,254
<b>Provisions for liabilities</b>			(2,850)		(4,600)
<b>Net assets</b>			379,255		314,654
<b>Capital and reserves</b>					
Called up share capital	9		50		50
Capital redemption reserve			50		50
Profit and loss reserves			379,155		314,554
<b>Total equity</b>			379,255		314,654

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30-11-16 and are signed on its behalf by:

  
Mr C G R Oldham  
Director

Company Registration No. 01030234

# "O" RINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2014</b>		50	50	401,954	402,054
<b>Year ended 30 April 2015:</b>					
Profit and total comprehensive income for the year		-	-	162,600	162,600
Dividends		-	-	(250,000)	(250,000)
<b>Balance at 30 April 2015</b>		50	50	314,554	314,654
<b>Year ended 30 April 2016:</b>					
Profit and total comprehensive income for the year		-	-	64,601	64,601
<b>Balance at 30 April 2016</b>		50	50	379,155	379,255

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

#### Company information

"O" Rings Limited is a private company limited by shares incorporated in England and Wales. The registered office is City Gates, 2-4 Southgate, Chichester, West Sussex, PO19 8DJ. The company's principal place of business is Gravel Lane, Quarry Lane Industrial Estate, Chichester, West Sussex, PO19 8PQ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

#### 1.3 Tangible fixed assets

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

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

Leasehold improvements	Period of lease
Plant and machinery	15% to 31% reducing balance
Computer equipment	20% to 50% straight line

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

#### 1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises purchased finished goods.

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

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### 1.5 Cash and cash equivalents

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

#### 1.6 Financial instruments

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

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

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. The financial assets are all receivable within one year and so are not amortised.

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. There are no non-current liabilities.

#### 1.7 Equity instruments

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

#### 1.8 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences. Such liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### 1.9 Employee benefits

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

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

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

#### 1.10 Retirement benefits

The company is a member of the Oldham Seals Limited pension fund which provides benefit based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account so as to spread the costs of the pensions over the employees' working lives with the company.

#### 1.11 Leases

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



# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 2 Judgements and key sources of estimation uncertainty

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Stock Provision**

In accordance with FRS 102 the company makes a provision against the cost of slow moving and obsolete stock. This is to ensure that the stock value stated in the financial statements represents its value at the lower of cost and net realisable value. Judgements are made on the future saleability of stock when calculating the required provision which are regularly reviewed.

### 3 Employees

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

	2016 Number	2015 Number
Total	15	15
	<u>          </u>	<u>          </u>

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 May 2015	13,000	146,160	159,160
Additions	-	7,893	7,893
At 30 April 2016	13,000	154,053	167,053
<b>Depreciation and impairment</b>			
At 1 May 2015	13,000	118,498	131,498
Depreciation charged in the year	-	11,184	11,184
At 30 April 2016	13,000	129,682	142,682
<b>Carrying amount</b>			
At 30 April 2016	-	24,371	24,371
At 30 April 2015	-	27,662	27,662

### 5 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	149,310	190,063
Other debtors	20,839	11,744
	170,149	201,807

### 6 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	17,676	17,481
Trade creditors	191,889	162,502
Amounts due to group undertakings	73,130	136,035
Corporation tax	18,000	42,500
Other taxation and social security	13,543	19,342
Other creditors	6,483	16,306
	320,721	394,166

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	2,850	4,600
	<u>2,850</u>	<u>4,600</u>

### 8 Retirement benefit schemes

#### Defined contribution schemes

The company participates in a defined benefit pension scheme operated by another group undertaking which provides retirement benefits based on final pensionable pay for the eligible staff of the company. The assets of the scheme are held separately from the company in an independently administered fund. The company's contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The pension cost charge amounted to £nil (2015: £nil).

Full details of the underlying assets and liabilities of the scheme as a whole and other disclosures required by Financial Reporting Standard 102 are not disclosed in this company as the company is unable to identify its share of the underlying assets and liabilities of the scheme. The full details as required by Financial Reporting Standard 102 are disclosed in the accounts of Oldham Seals Limited. The Plan was closed to new members with effect from 31 January 2003 and closed to future accrual from 31 January 2009.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The actuarial valuation as at 1 May 2015 showed the Plan to be 87% funded on an ongoing basis with a shortfall of £1,231,000 and 73% funded on a buy out basis at the valuation date. The changes in the funding level and shortfall are as a result of the various assumptions at the last valuation date not being borne out in practice, as well as a result of changes to the assumptions. The discontinuance funding level has improved since the last valuation. The main reasons for this are the contributions paid by the employers and the better than expected investment returns over the period, although these will have been partly offset by the reduction in gilt yields and therefore an increase in the expected cost of purchasing annuities. Following on from the valuation, it was agreed that the current schedule of contributions which was prepared in accordance with the actuary's recommendations, from 1 May 2013 the employers have paid contributions at a rate of £357,960 per annum (payable monthly), increasing by 3% on 1 May 2014 and by a further 3% compound on each subsequent 1 May would continue until 1 May 2017. The employers will also separately meet the expenses of management and administration of the scheme, premiums for insured death-in-service benefits and all levies issued by the PPF and the Pensions Regulator. Based on the method and assumptions as set out in the scheme's statement of funding principles, it is expected that contributions at these levels will be sufficient to eliminate the shortfall by 31 March 2018. The next valuation will be carried out as at 1 May 2018.

On 1 February 2009 a defined contribution purchase scheme was established for the eligible employees of this and other group companies. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year for this scheme was £nil (2014: £612). At 30 April 2016 £nil (2015: £nil) was due to this defined contribution scheme. This scheme was closed on 31 March 2015.

On 1 April 2015 the company established a Standard Life defined contribution scheme to meet the requirements of auto enrolment. The assets of this scheme are also held separately from those of the company in an independently administered fund. The pension cost charge for the year for this scheme was £6,166 (2015: £505). At 30 April 2016 £nil (2015: £nil) was due to this defined contribution scheme.

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2016**

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**9 Called up share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50 Ordinary shares of £1 each	50	50
	<u>          </u>	<u>          </u>

**10 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Andrew Henshaw.

The auditor was Moore Stephens (South) LLP.

# "O" RINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 11 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	48,400	48,400
Between two and five years	184,533	187,933
In over five years	-	45,000
	<u>232,933</u>	<u>281,333</u>

### 12 Related party transactions

The company occupied premises owned by The Oldham Seals Limited Directors Pension Scheme, of which all of the directors are trustees and two of the directors are members. The company made lease payments of £45,000 (2015 - £45,000) to the pension scheme during the year.

The company has taken advantage of the exemption available under FRS 102, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 13 Parent company

The company's ultimate holding company is Oldham Seals Limited, which is incorporated in England and Wales. The ultimate holding company's registered office is City Gates, 2-4 Southgate, Chichester, West Sussex, PO19 8DJ.

The company is ultimately controlled by the executive directors of Oldham Seals Limited.