

Registration number 01238636

Investacast Limited

Directors' report and financial statements
for the year ended 30 September 2012

FRIDAY



A2BIHCJE

A45

28/06/2013

#16

COMPANIES HOUSE

Investacast Limited

Contents

Directors' report	1 to 2
Statement of directors' responsibilities	3
Independent auditors' report	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 19
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account	20 to 21

Investacast Limited
Directors' report for the year ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Directors of the company

The directors who held office during the year were as follows

C Thompson

T Buckland

Principal activity

The principal activity of the company is the manufacturing of castings by the lost wax investment method

Business review

Fair review of the business

The company has had another successful year. Turnover has increased by 9% on 2011 whilst gross profit margins have been maintained. Our tight cost control has attributed to the increased operating profit margin of 13.0% (2011: 10.8%).

The company's key financial and other performance indicators during the year were as follows

	Unit	2012	2011
Turnover increase	£	620,234	1,845,632
Gross profit margin	%	27	27

Financial instruments

Objectives and policies

The directors are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate and manage the key risks.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk – The company is exposed to price risk as a result of its operations. However, given the size of company operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk – The company has continued its policy of appropriate credit checks on all new and potential customers before sales are made. Credit insurance is also in place on larger customer debts to further reduce the risk to the company.

Liquidity risk – The company maintains facilities that are designed to ensure the company has sufficient funds for operations and planned expenses.

Future developments

We aim to continue growth of turnover and profit while maintaining a good working relationship with our customers and suppliers.

Investacast Limited
Directors' report for the year ended 30 September 2012

..... continued

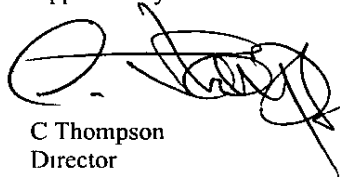
Research and development

We have continued to invest in research and development to ensure our profitability into the future

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the board on 26/06/13 and signed on its behalf by



C Thompson
Director

Investacast Limited
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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

Independent auditors' report to the members of Investacast Limited

We have audited the financial statements of Investacast Limited for the year ended 30 September 2012, set out on pages 6 to 19. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities (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 (APB's) Ethical Standards for Auditors.

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 Directors' 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 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.

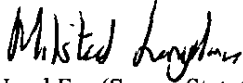
**Independent auditors' report to the members of
Investacast Limited**

..... 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



Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Taunton

27 June 2013

Investacast Limited
Profit and loss account for the year ended 30 September 2012

	Note	2012 £	2011 £
Turnover	2	7 517,640	6,897,406
Cost of sales		<u>(5,574,158)</u>	<u>(5,068,539)</u>
Gross profit		1 943,482	1,828,867
Distribution costs		(266,682)	(356,438)
Administrative expenses		<u>(785,946)</u>	<u>(726,784)</u>
Operating profit	3	890,854	745,645
Interest payable and similar charges	7	<u>(75,607)</u>	<u>(47,530)</u>
Profit on ordinary activities before taxation		815,247	698,115
Tax on profit on ordinary activities	8	<u>(153,209)</u>	<u>(109,350)</u>
Profit for the financial year	17	<u><u>662,038</u></u>	<u><u>588,765</u></u>

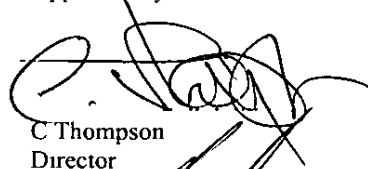
Turnover and operating profit derive wholly from continuing operations

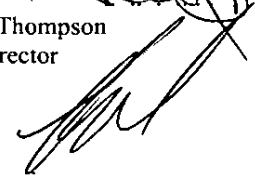
The company has no recognised gains or losses for the year other than the results above

Investacast Limited
(Registration number: 01238636)
Balance sheet at 30 September 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	9	524,548	538,978
Current assets			
Stock	10	1,233,276	1,042,304
Debtors	11	2,607,796	2,987,804
Cash at bank and in hand		24,759	26,479
		3,865,831	4,056,587
Creditors: amounts falling due within one year	12	(2,054,627)	(2,528,765)
Net current assets		1,811,204	1,527,822
Total assets less current liabilities		2,335,752	2,066,800
Creditors amounts falling due after more than one year	13	(172,828)	(267,142)
Provisions for liabilities	14	(44,850)	(47,082)
Net assets excluding pension liability		2,118,074	1,752,576
Net pension liability	14	(229,235)	(243,775)
Net assets		1,888,839	1,508,801
Capital and reserves			
Called up share capital	15	7,600	7,600
Capital redemption reserve	17	2,400	2,400
Profit and loss account	17	1,878,839	1,498,801
Shareholders' funds	18	1,888,839	1,508,801

Approved by the board on 26/06/13 and signed on its behalf by


C Thompson
Director


T Buckland
Director

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation rate and method
Freehold property and improvements	Straight line over 50 years
Plant and machinery	10% straight line
Fixtures, fittings and equipment	15% straight line
Motor vehicles	25% straight line

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Stock is recognised at the point that risks and rewards are transferred to the company

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by accounting standards

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... *continued*

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

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

The company operates a defined benefit pension scheme for one former director. The scheme is unfunded.

Defined benefit pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using an AA corporate bond rate of 5%.

No pension scheme assets are held by the company as the pension scheme is unfunded. The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit liability is offset against the defined benefit liability and not included with other deferred tax assets or liabilities.

2 Turnover

An analysis of turnover by geographical location is given below.

	2012 £	2011 £
UK	5,257,831	5,281,786
Europe	355,004	136,775
Rest of world	1,904,805	1,478,845
	<u>7,517,640</u>	<u>6,897,406</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Operating leases - other assets	10,609	2,700
Auditor's remuneration - the audit of the company's annual accounts	6,947	5,000
Auditor's remuneration - other services	6,000	4,538
Auditor's remuneration - tax services	1,500	-
Foreign currency losses	22,754	8,180
Depreciation of owned assets	53,475	45,901
Research and development expense	<u>155,411</u>	<u>122,142</u>

4 Auditor's remuneration

	2012 £	2011 £
Audit of the financial statements	<u>6,947</u>	<u>5,000</u>
Other fees to auditors		
Tax services	1,500	-
Other services	<u>6,000</u>	<u>4,538</u>
	<u>7,500</u>	<u>4,538</u>
	<u>14,447</u>	<u>9,538</u>

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2012 No	2011 No.
Administration and support	11	11
Production	48	42
Sales	<u>1</u>	<u>1</u>
	<u>60</u>	<u>54</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	1,281,084	1,169,093
Social security costs	113,594	99,394
Staff pensions	57,215	53,497
	<u>1,451,893</u>	<u>1,321,984</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including benefits in kind)	28,211	27,235
Company contributions paid to money purchase schemes	<u>30,000</u>	<u>14,663</u>

During the year the number of directors who were receiving pension benefits was as follows

	2012 No	2011 No
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

7 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	50,449	29,696
Other interest payable	-	182
Finance charges	7,186	2,748
Unwinding of discount in provisions	<u>17,972</u>	<u>14,904</u>
	<u>75,607</u>	<u>47,530</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

8 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	150,274	124,728
Adjustments in respect of previous years	-	(46,646)
UK Corporation tax	150,274	78,082
Deferred tax		
Origination and reversal of timing differences	(2,232)	16,551
Deferred tax relating to pension provision	5,167	14,717
Total deferred tax	2,935	31,268
Total tax on profit on ordinary activities	153,209	109,350

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25% (2011 - 27%)

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	815,247	698,115
Corporation tax at standard rate	203,812	188,491
Capital allowances in excess of depreciation	2,752	(19,128)
Movement in pension creditor	(4,927)	(4,788)
Difference in rates used	(10,702)	(15,922)
Movement in other provisions	1,699	-
Enhanced research and development	(43,245)	(24,734)
Expenses not deductible for tax purposes	885	809
Total current tax	150,274	124,728

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

9 Tangible fixed assets

	Freehold property and improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2011	500,527	1,586,793	126,377	8,360	2,222,057
Additions	9,408	23,074	6,563	-	39,045
At 30 September 2012	509,935	1,609,867	132,940	8,360	2,261,102
Depreciation					
At 1 October 2011	186,028	1,383,960	106,024	7,067	1,683,079
Charge for the year	10,065	37,714	5,371	325	53,475
At 30 September 2012	196,093	1,421,674	111,395	7,392	1,736,554
Net book value					
At 30 September 2012	313,842	188,193	21,545	968	524,548
At 30 September 2011	314,499	202,833	20,353	1,293	538,978

Leased assets

Included within the net book value of tangible fixed assets is £83,140 (2011 - £94,515) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £11,375 (2011 - £11,375)

10 Stock

	2012 £	2011 £
Raw materials	118,717	84,969
Work in progress	820,905	946,757
Finished goods	293,654	10,578
	<u>1,233,276</u>	<u>1,042,304</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... *continued*

11 Debtors

	2012 £	2011 £
Trade debtors	1,618,903	1,999,295
Amounts owed by group undertakings	975,970	975,970
Other debtors	-	1,343
Prepayments and accrued income	12,923	11,196
	<u>2,607,796</u>	<u>2,987,804</u>

12 Creditors amounts falling due within one year

	2012 £	2011 £
Trade creditors	503,031	500,974
Bank loans and overdrafts	436,344	650,900
Obligations under finance lease and hire purchase contracts	29,391	24,282
Corporation tax	150,326	124,728
Other taxes and social security	122,761	62,519
Other creditors	772,574	1,142,262
Accruals and deferred income	40,200	23,100
	<u>2,054,627</u>	<u>2,528,765</u>

Creditors amounts falling due within one year includes the following liabilities on which security has been given by the company

	2012 £	2011 £
Bank loans	436,344	650,900
Invoice finance creditor	751,084	1,064,036
	<u>1,187,428</u>	<u>1,714,936</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

13 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans and overdrafts	132,199	191,520
Obligations under finance lease and hire purchase contracts	40,629	75,622
	<u>172,828</u>	<u>267,142</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given by the company

	2012 £	2011 £
Bank loans	<u>132,199</u>	<u>191,520</u>

Obligations under finance leases and hire purchase contracts

Amounts repayable.

	2012 £	2011 £
In one year or less on demand	29,391	24,282
Between one and two years	40,629	75,622
	<u>70,020</u>	<u>99,904</u>

14 Provisions for liabilities

	Net pension liability £	Deferred tax £	Total £
At 1 October 2011	<u>243,775</u>	<u>47,082</u>	<u>290,857</u>
Charged/(credited) to the profit and loss account	36,889	(2,232)	34,657
Utilised during the year	<u>(51,429)</u>	<u>-</u>	<u>(51,429)</u>
	<u>(14,540)</u>	<u>(2,232)</u>	<u>(16,772)</u>
At 30 September 2012	<u>229,235</u>	<u>44,850</u>	<u>274,085</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	(2,232)	16,551
Other timing differences	5,167	14,717
	<u>2,935</u>	<u>31,268</u>

15 Share capital

Allotted, called up and fully paid shares

	No.	2012 £	No.	2011 £
Ordinary A shares of £1	5,200	5,200	5,200	5,200
Ordinary B shares of £1	2,400	2,400	2,400	2,400
	<u>7,600</u>	<u>7,600</u>	<u>7,600</u>	<u>7,600</u>

16 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>282,000</u>	<u>282,000</u>

17 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2011	2,400	1,498,801	1,501,201
Profit for the year	-	662,038	662,038
Dividends	-	(282,000)	(282,000)
At 30 September 2012	<u>2,400</u>	<u>1,878,839</u>	<u>1,881,239</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

18 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	662,038	588,765
Dividends	(282,000)	(282,000)
Net addition to shareholders' funds	380,038	306,765
Shareholders' funds at 1 October	1,508,801	1,202,036
Shareholders' funds at 30 September	1,888,839	1,508,801

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £43,465 (2011 - £34,706).

Contributions totalling £6,795 (2011 - £nil) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension scheme

The company operates a defined benefit pension scheme in respect of G Harman, a former director of the company. The scheme is unfunded and paid in accordance with an agreement dated 17 October 1993, replaced by new agreements dated 21 May 2003, and 10 July 2007. The amount payable under the agreement dated 10 July 2007 is £47,412 per annum increasing each year in line with the Retail Price Index.

Contributions payable to the pension scheme at the end of the year are £nil (2011 - £nil).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2012 £	2011 £
Present value of scheme liabilities	305,324	325,032
Other amounts recognised in the balance sheet	(76,089)	(81,257)
Net liability in the balance sheet	229,235	243,775

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

Scheme liabilities

Changes in the present value of scheme liabilities are as follows

	2012 £	2011 £
Present value at start of year	325,032	342,766
Past service cost	13,750	18,791
Interest cost	17,971	14,904
Benefits paid	(51,429)	(51,429)
Present value at end of year	<u>305,324</u>	<u>325,032</u>
Analysed as:		
Present liability arising from unfunded schemes	<u>(305,324)</u>	<u>(325,032)</u>

History of scheme liabilities

Amounts for the current period are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Present value of scheme liabilities	<u>305,324</u>	<u>325,032</u>	<u>342,766</u>	<u>299,097</u>	<u>339,275</u>

20 Commitments

Operating lease commitments

As at 30 September 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within one year	-	7,200
Within two and five years	<u>7,200</u>	<u>-</u>
	<u>7,200</u>	<u>7,200</u>
Other		
Within one year	-	4,958
Within two and five years	<u>8,625</u>	<u>-</u>
	<u>8,625</u>	<u>4,958</u>

Investacast Limited

Notes to the financial statements for the year ended 30 September 2012

..... continued

21 Related party transactions

Other related party transactions

During the year the company entered into the following related party transactions

Mr T Buckland

(Director)

During the year Mr T Buckland provided a personal guarantee amounting to £75,000 to HSBC with regards to the Import Loan facility

Also during the year Mr T Buckland made a loan to the company This loan is interest free and repayable on demand At the balance sheet date the amount due to Mr T Buckland was £150 (2011 - £18,999)

Mr C Thompson

(Director)

During the year Mr C Thompson provided a personal guarantee amounting to £75,000 to HSBC with regards to the Import Loan facility

Also during the year Mr C Thompson made a loan to the company This loan was interest free and repayable on demand At the balance sheet date the amount due to Mr C Thompson was £nil (2011 - £20,000)

Exmoor Casting Supplies Limited

(T Buckland, a director of the company, is a director and shareholder of Exmoor Casting Supplies Limited)

During the year the company purchased goods worth £nil (2011 £nil) and sold goods worth £1,188 (2011 £1,095) to Exmoor Casting Supplies Limited At the balance sheet date the amount due from Exmoor Casting Supplies Limited was £1,426 (2011 - £438)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

22 Control

The company is controlled by the directors who own 100% of the called up share capital The ultimate controlling company is Investacast Ilfracombe Limited, which is incorporated in England and Wales