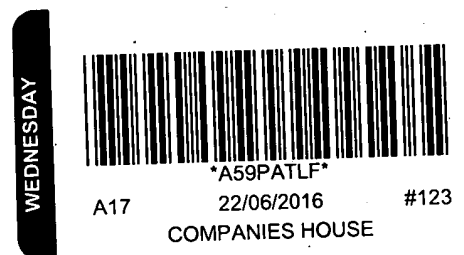


Abbreviated Accounts Woolley GMC Engineering Company Limited

For the year ended 31 October 2015



Registered number: 01352834

Abbreviated Accounts

Woolley GMC Engineering Company Limited

Company Information

Directors	C R F Shield J Cooper B G O'Connor
Company secretary	C R F Shield
Registered number	01352834
Registered office	365 Fosse Way Syston Leicester LE7 1NL
Trading address	169 Torrington Avenue Tile Hill Coventry CV4 9AP
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH
Bankers	Lloyds Bank plc 30 High Street Coventry CV1 5RA

Woolley GMC Engineering Company Limited

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Strategic Report

For the year ended 31 October 2015

Introduction

The principal activity of the company in the year under review was that of production and precision engineering of machined castings and assemblies.

Business review

The business has experienced some very challenging trading through the period due to reduced customer demand from the global slowdown in capital equipment. Although there has been some recovery since the year end the company believes that volumes will remain weak for at least the medium term. The business has maintained strict cost controls and has performed at a high level operationally for this period. The company looks to the future with some confidence as it is well placed to benefit from improved volumes and trading conditions when the global commodity cycle turns more positive.

Principal risks and uncertainties

The key risks and uncertainties affecting the company are considered to relate to competition from overseas suppliers, global demand for our customer products and raw material costs. The company is well positioned with a capable supply chain, strong workforce and management team and growing reserves to meet these challenges allowing continual investment into the future.

Financial key performance indicators

Turnover for the company fell by 19% in 2015. The directors are satisfied with the overall level of turnover in light of challenging trading conditions.

The gross margin for 2015 is 23% (2014 - 22%) and the increase is due to improved cost controls and changes in the product mix.

Other key performance indicators

There are no significant non-financial key performance indicators which are relevant to understanding the position of the business.

This report was approved by the board and signed on its behalf.



C R F Shield
Director

Date: 15/06/16

Directors' Report

For the year ended 31 October 2015

The directors present their report and the audited financial statements for the year ended 31 October 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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

The directors who served during the year were:

C R F Shield
J Cooper
B G O'Connor

Future developments

The external commercial environment is expected to remain competitive in 2016 with continued pressure on margins. Whilst the business is dependant on customer volumes for turnover we are confident that new prospects will deliver substantial levels of growth in the long term. There are no other significant events since the end of the financial year to report on.

Directors' Report

For the year ended 31 October 2015

Financial instruments

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors, hire purchase, trade creditors and inter-company loans that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are credit risk, liquidity risk and interest rate risk. The directors review agreed policies for managing each of these risks and they are summarized below. The policies have remained unchanged from previous periods.

Credit risk

In order to limit credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Debtor balances are reviewed on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

Interest rate risk

The company finances its operations through a mixture of retained profits, invoice discounting, hire purchase and inter-company loans. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Research and development activities

The company is continuing to invest in research and development to provide class leading products to its customers that are at the forefront of innovation and the latest manufacturing methods.

Disclosure of information to auditor

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 auditor is 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 relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C R F Shield
Director

Date: 15/06/16



Independent Auditor's Report to Woolley GMC Engineering Company Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes, together with the financial statements of Woolley GMC Engineering Company Limited for the year ended 31 October 2015 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 Auditor's 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 auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

Grant Thornton UK LLP

K G Bathia (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Leicester

Date: 15/06/16

Abbreviated Profit and Loss Account

For the year ended 31 October 2015

	Note	2015 £	2014 £
Turnover		16,164,128	19,902,483
Gross profit		3,759,544	4,334,739
Administrative expenses		(3,195,761)	(3,349,560)
Operating profit	2	563,783	985,179
Interest payable and similar charges	5	(26,779)	(81,990)
Profit on ordinary activities before taxation		537,004	903,189
Tax on profit on ordinary activities	6	(114,478)	(200,535)
Profit for the financial year	14	422,526	702,654

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.


The notes on pages 7 to 15 form part of these financial statements.

Abbreviated Balance Sheet

As at 31 October 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		2,658,555		3,534,094
Current assets					
Stocks	8	1,647,211		2,011,382	
Debtors	9	1,803,301		3,509,685	
Cash at bank and in hand		1,598,699		331,134	
		<u>5,049,211</u>		<u>5,852,201</u>	
Creditors: amounts falling due within one year	10	<u>(2,326,471)</u>		<u>(4,324,668)</u>	
Net current assets			<u>2,722,740</u>		<u>1,527,533</u>
Total assets less current liabilities			<u>5,381,295</u>		<u>5,061,627</u>
Creditors: amounts falling due after more than one year	11		<u>-</u>		<u>(102,858)</u>
Net assets			<u><u>5,381,295</u></u>		<u><u>4,958,769</u></u>
Capital and reserves					
Called up share capital	13		125		125
Share premium account	14		279,808		279,808
Capital redemption reserve	14		98		98
Profit and loss account	14		<u>5,101,264</u>		<u>4,678,738</u>
Shareholders' funds	15		<u><u>5,381,295</u></u>		<u><u>4,958,769</u></u>

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



C R F Shield
Director

Date: 15/06/16

The notes on pages 7 to 15 form part of these financial statements.

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on despatch of goods.

1.3 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:

S/Term Leasehold Property	-	10% on cost
Plant & machinery	-	20% on reducing balance/On cost between 2 and 7 years
Motor vehicles	-	30% on reducing balance
Fixtures & fittings	-	20% on reducing balance/On cost over 2 and 7 years

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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.

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

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 profit

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	868,803	607,124
- held under finance leases	75,661	425,997
Auditor's remuneration	12,470	12,280
Auditor's remuneration - non-audit	2,230	1,925
Operating lease rentals:		
- other operating leases	170,000	170,000
Difference on foreign exchange	(4,565)	14,210
Profit on sale of tangible assets	(2,735)	(892)

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015	2014
	£	£
Wages and salaries	2,389,865	2,615,702
Social security costs	213,656	238,419
Other pension costs	30,714	12,351
	<u>2,634,235</u>	<u>2,866,472</u>

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

	2015	2014
	No.	No.
Production Staff	76	78
Office and Management	22	21
Directors	3	3
	<u>101</u>	<u>102</u>

4. Directors' remuneration

	2015	2014
	£	£
Remuneration	<u>202,823</u>	<u>273,063</u>
Company pension contributions to defined contribution pension schemes	<u>1,454</u>	<u>2,180</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £81,750 (2014 - £129,873).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £727 (2014 - £1,040).

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

5. Interest payable

	2015	2014
	£	£
Invoice discounting	30	456
On finance leases and hire purchase contracts	26,749	81,534
	<u>26,779</u>	<u>81,990</u>

6. Taxation

	2015	2014
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	173,379	244,477
Adjustments in respect of prior periods	-	13,178
Total current tax	<u>173,379</u>	<u>257,655</u>
Deferred tax (see note 12)		
Origination and reversal of timing differences	(58,901)	(57,120)
Tax on profit on ordinary activities	<u>114,478</u>	<u>200,535</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.41% (2014 - 21.83%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>537,004</u>	<u>903,189</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.41% (2014 - 21.83%)	109,603	197,166
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	150	50
Depreciation for year in excess of capital allowances	63,607	59,573
Adjustments to tax charge in respect of prior periods	-	13,178
Short term timing difference leading to an increase (decrease) in taxation	-	(12,290)
Other adjustments	19	(22)
Current tax charge for the year (see note above)	<u>173,379</u>	<u>257,655</u>

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

7. Tangible fixed assets

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 November 2014	140,811	8,420,611	66,480	934,541	9,562,443
Additions	-	20,532	6,754	45,429	72,715
Disposals	-	-	(38,370)	-	(38,370)
At 31 October 2015	140,811	8,441,143	34,864	979,970	9,596,788
Depreciation					
At 1 November 2014	57,526	5,298,246	47,273	625,304	6,028,349
Charge for the year	13,881	861,170	10,314	62,889	948,254
On disposals	-	-	(38,370)	-	(38,370)
At 31 October 2015	71,407	6,159,416	19,217	688,193	6,938,233
Net book value					
At 31 October 2015	69,404	2,281,727	15,647	291,777	2,658,555
At 31 October 2014	83,285	3,122,365	19,207	309,237	3,534,094

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	166,429	1,975,350
Furniture, fittings and equipment	187,156	229,531
	353,585	2,204,881

8. Stocks

	2015 £	2014 £
Raw materials	412,992	894,908
Work in progress	436,606	386,529
Finished goods and goods for resale	797,613	729,945
	1,647,211	2,011,382

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

9. Debtors

	2015	2014
	£	£
Trade debtors	1,429,402	2,644,765
Other debtors	-	684,135
Prepayments and accrued income	311,158	176,945
Deferred tax asset (see note 12)	62,741	3,840
	<u>1,803,301</u>	<u>3,509,685</u>

Other debtors includes amounts of £nil (2014 - £683,151) owed by Lloyds Commercial Finance representing amounts held on account in relation to the asset financing accounts.

10. Creditors:

Amounts falling due within one year

	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	102,925	443,372
Trade creditors	1,629,428	2,742,500
Amounts owed to group undertakings	24,880	141,528
Corporation tax	83,690	215,685
Other taxation and social security	202,137	261,727
Other creditors	2,597	96,250
Accruals and deferred income	280,814	423,606
	<u>2,326,471</u>	<u>4,324,668</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

An unlimited debenture dated 21 August 1986 incorporating a fixed and floating charge over the company's assets has been granted in favour of Lloyds Bank plc.

11. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	-	102,858

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

11. Creditors:

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015	2014
	£	£
Between one and five years	-	102,858

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

12. Deferred tax asset

	2015	2014
	£	£
At beginning of year	3,840	(53,280)
Released during year (P&L)	58,901	57,120
At end of year	62,741	3,840

The deferred tax asset is made up as follows:

	2015	2014
	£	£
Decelerated capital allowances	(62,318)	(3,417)
Other short term timing differences	(423)	(423)
	(62,741)	(3,840)

13. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
125 Ordinary shares of £1 each	125	125

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

14. Reserves

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 November 2014	279,808	98	4,678,738
Profit for the financial year	-	-	422,526
At 31 October 2015	<u>279,808</u>	<u>98</u>	<u>5,101,264</u>

15. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	4,958,769	4,256,115
Profit for the financial year	<u>422,526</u>	<u>702,654</u>
Closing shareholders' funds	<u>5,381,295</u>	<u>4,958,769</u>

16. Pension commitments

The company operates a defined contribution pension scheme. 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 £30,174 (2014 - £12,351). Contributions totalling £2,117 (2014 - £2,117) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Abbreviated Accounts

For the year ended 31 October 2015

17. Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

18. Ultimate parent undertaking and controlling party

The ultimate controlling party is R A Shield Holdings Limited, a company which is registered in England