

Registration number: 02077748

Skako Vibration Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

Auker Rhodes Professional Services LLP
Chartered Accountants & Registered Auditors
Albion Mills
Albion Road
Greengates
Bradford
West Yorkshire
BD10 9TQ

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Skako Vibration Limited

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Skako Vibration Limited
Company Information

Directors	R A Hill L R Girieud
Company secretary	J L Nunn
Registered office	Station Road Industrial Estate Tadcaster North Yorkshire LS24 9SG
Bankers	HSBC Bank Plc 11 North Street Wetherby West Yorkshire LS22 6NT
Auditors	Auker Rhodes Professional Services LLP Chartered Accountants & Registered Auditors Albion Mills Albion Road Greengates Bradford West Yorkshire BD10 9TQ

Skako Vibration Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Business review

Fair review of the business

The directors are pleased to report on the end of an acceptable year when levels of orders and turnover were generally as forecast.

The turnover was less than 2013 as that year included a large 'one off' project that was not repeated or replaced in 2014.

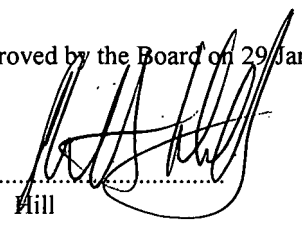
The company's key financial and other performance indicators during the year were as follows:

	Unit	2014	2013
Turnover	£	1,470,545	2,153,594
Gross profit	%	23	18
Net profit before taxation	£	104,582	163,244
Warranty claims	£	8,000	3,278

Principal risks and uncertainties

The levels of orders and turnover in 2015 are forecast to be similar to those of 2014 but the profit will be significantly lower due to a transitional year with increased costs prior to the retirement of R A Hill in early 2016.

Approved by the Board on 29 January 2015 and signed on its behalf by:



.....
R A Hill
Director

Skako Vibration Limited
Directors' Report for the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors of the company

The directors who held office during the year were as follows:

R A Hill

C C Graversen (resigned 2 January 2014)

S F Pedersen (appointed 2 January 2014 and resigned 1 October 2014)

L R Girieud (appointed 1 October 2014)

Dividends

The directors recommend a final dividend payment of £80,000 be made in respect of the financial year ended 31 December 2014. This dividend has not been recognised as a liability in the financial statements.

Financial instruments

Objectives and policies

The principal financial instruments of the business comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations and they are held in such a way as to maximise cash balances without the need to resort to overdrafts.

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

These risks are not significant due to the net assets position of the business at the end of the year.

Future developments

The development of this business as a distribution company is dependent upon the needs of its customers to maintain or replace their vibratory plant. The company achieved an acceptable performance in 2014 when customer expectations were met and this is forecast to continue.

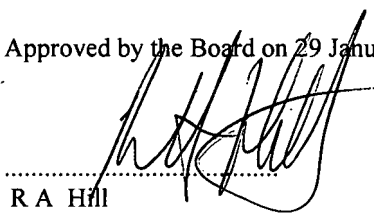
Disclosure of information to the auditors

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.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Auker Rhodes Professional Services LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 29 January 2015 and signed on its behalf by:


.....
R A Hill
Director

Skako Vibration 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Auditor's Report to the Members of Skako Vibration Limited

We have audited the financial statements of Skako Vibration Limited for the year ended 31 December 2014, set out on pages 7 to 17. 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 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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 December 2014 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 Auditor's Report to the Members of
Skako Vibration Limited**

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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.

.....
R Kenyon (Senior Statutory Auditor)

For and on behalf of Auker Rhodes Professional Services LLP, Statutory Auditor

Albion Mills
Albion Road
Greengates
Bradford
West Yorkshire
BD10 9TQ

29 January 2015

Skako Vibration Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	1,470,545	2,153,594
Cost of sales		<u>(1,137,652)</u>	<u>(1,765,847)</u>
Gross profit		332,893	387,747
Distribution costs		(98,676)	(99,606)
Administrative expenses		<u>(129,521)</u>	<u>(124,635)</u>
Operating profit	3	104,696	163,506
Interest payable and similar charges	7	<u>(114)</u>	<u>(262)</u>
Profit on ordinary activities before taxation		104,582	163,244
Tax on profit on ordinary activities	8	<u>(22,461)</u>	<u>(37,976)</u>
Profit for the financial year	15	<u><u>82,121</u></u>	<u><u>125,268</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.

Skako Vibration Limited
(Registration number: 02077748)
Balance Sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	30,607	8,671
Current assets			
Stocks	10	39,278	33,867
Debtors	11	318,686	407,747
Cash at bank and in hand		193,489	357,587
		551,453	799,201
Creditors: Amounts falling due within one year	12	(361,016)	(588,949)
Net current assets		190,437	210,252
Net assets		221,044	218,923
Capital and reserves			
Called up share capital	13	15,000	15,000
Profit and loss account	15	206,044	203,923
Shareholders' funds	16	221,044	218,923

Approved and authorised for issue by the Board on 29 January 2015 and signed on its behalf by:



 R A Hill
 Director

Skako Vibration Limited
Cash Flow Statement for the Year Ended 31 December 2014

Reconciliation of operating profit to net cash flow from operating activities

	2014	2013
	£	£
Operating profit	104,696	163,506
Depreciation, amortisation and impairment charges	9,768	10,309
Profit on disposal of fixed assets	(12,894)	-
(Increase)/decrease in stocks	(5,411)	7,356
Decrease/(increase) in debtors	87,616	(175,332)
(Decrease)/increase in creditors	(169,445)	265,706
Net cash inflow from operating activities	<u>14,330</u>	<u>271,545</u>

Cash flow statement

	2014	2013
	£	£
Net cash inflow from operating activities	<u>14,330</u>	<u>271,545</u>
Returns on investments and servicing of finance		
Interest paid	(114)	(262)
Taxation paid	(39,504)	(41,535)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(33,310)	-
Sale of tangible fixed assets	14,500	-
	(18,810)	-
Equity dividends paid	(120,000)	(120,000)
Net cash (outflow)/inflow before management of liquid resources and financing	<u>(164,098)</u>	<u>109,748</u>
(Decrease)/increase in cash	<u>(164,098)</u>	<u>109,748</u>

Reconciliation of net cash flow to movement in net debt

	2014	2013
	£	£
(Decrease)/increase in cash	<u>(164,098)</u>	<u>109,748</u>
Movement in net debt	19 (164,098)	109,748
Net funds at 1 January	19 357,587	247,839
Net funds at 31 December	19 <u>193,489</u>	<u>357,587</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

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 method and rate
Plant and machinery	10% p.a. reducing balance
Motor vehicles	33.33% p.a. straight line

Stock

Stock is 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.

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 FRS19.

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.

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.

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

2 Turnover

During the year 6.49% of the company's turnover related to exports (2013 - 19.21%).

An analysis of turnover by geographical location is given below:

	2014 £	2013 £
Sales - UK	1,375,065	1,739,893
Sales - Europe	75,150	110,455
Sales - Rest of world	20,330	303,246
	<u>1,470,545</u>	<u>2,153,594</u>

An analysis of turnover by class of business is given below:

	2014 £	2013 £
Principal activity	1,470,545	2,153,594
	<u>1,470,545</u>	<u>2,153,594</u>

3 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Operating leases - other assets	12,000	12,000
Foreign currency losses/(gains)	2,519	(2,784)
Profit on sale of tangible fixed assets	(12,894)	-
Depreciation of owned assets	9,768	10,309
Auditor's remuneration	<u>4,385</u>	<u>4,300</u>

4 Auditor's remuneration

	2014 £	2013 £
Audit of the financial statements	3,750	3,700
Other fees to auditors		
Other services	<u>635</u>	<u>600</u>
	<u>4,385</u>	<u>4,300</u>

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

5 Particulars of employees

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

	2014 No.	2013 No.
Administration and support	<u>3</u>	<u>3</u>

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	90,032	80,970
Social security costs	9,164	10,281
Staff pensions	<u>5,046</u>	<u>4,991</u>
	<u>104,242</u>	<u>96,242</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration (including benefits in kind)	82,955	79,822
Company contributions paid to money purchase schemes	<u>5,046</u>	<u>4,806</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

7 Interest payable and similar charges

	2014 £	2013 £
Other interest payable	<u>114</u>	<u>262</u>
	<u>114</u>	<u>262</u>

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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8 Taxation

Tax on profit on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax charge	21,016	39,505
Deferred tax		
Origination and reversal of timing differences	1,445	(1,529)
Total tax on profit on ordinary activities	<u>22,461</u>	<u>37,976</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>104,582</u>	<u>163,244</u>
Corporation tax at standard rate	22,485	37,954
Accelerated capital allowances	<u>(1,469)</u>	<u>1,551</u>
Total current tax	<u>21,016</u>	<u>39,505</u>

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2014	9,490	30,770	40,260
Additions	-	33,310	33,310
Disposals	-	(30,770)	(30,770)
At 31 December 2014	9,490	33,310	42,800
Depreciation			
At 1 January 2014	9,365	22,224	31,589
Charge for the year	52	9,716	9,768
Eliminated on disposals	-	(29,164)	(29,164)
At 31 December 2014	9,417	2,776	12,193
Net book value			
At 31 December 2014	73	30,534	30,607
At 31 December 2013	125	8,546	8,671

10 Stocks

	2014 £	2013 £
Stocks	39,278	33,867

11 Debtors

	2014 £	2013 £
Trade debtors	315,112	402,684
Other debtors	-	3,274
Deferred tax	344	1,789
Prepayments and accrued income	3,230	-
	318,686	407,747

Deferred tax

The movement in the deferred tax asset in the year is as follows:

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

	£
At 1 January 2014	1,789
Deferred tax utilised during the year	(1,445)
At 31 December 2014	<u>344</u>

Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>344</u>	<u>1,789</u>
	<u>344</u>	<u>1,789</u>

12 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	133	4,736
Amounts owed to group undertakings	255,790	455,869
Corporation tax	21,017	39,505
Other taxes and social security	71,691	81,272
Accruals and deferred income	<u>12,385</u>	<u>7,567</u>
	<u>361,016</u>	<u>588,949</u>

13 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

14 Dividends

	2014 £	2013 £
Dividends proposed and recognised in the accounts		
Ordinary dividend proposed	<u>80,000</u>	<u>120,000</u>
Recommended final dividend proposed for approval by shareholders	<u>80,000</u>	<u>120,000</u>

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

15 Reserves

	Profit and loss account £	Total £
At 1 January 2014	203,923	203,923
Profit for the year	82,121	82,121
Dividends	(80,000)	(80,000)
At 31 December 2014	<u>206,044</u>	<u>206,044</u>

16 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit attributable to the members of the company	82,121	125,268
Dividends	(80,000)	(120,000)
Net addition to shareholders' funds	<u>2,121</u>	<u>5,268</u>
Shareholders' funds at 1 January	<u>218,923</u>	<u>213,655</u>
Shareholders' funds at 31 December	<u>221,044</u>	<u>218,923</u>

17 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 £5,046 (2013 - £4,991).

18 Commitments

Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Within one year	<u>6,000</u>	<u>6,000</u>

Skako Vibration Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

19 Analysis of net debt

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	357,587	(164,098)	193,489
Net funds	<u>357,587</u>	<u></u>	<u>193,489</u>

20 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Skako Vibration A/S

(Parent company)

During the year Skako Vibration Limited made sales to, purchased goods from and declared dividends to Skako Vibration A/S amounting to £4,475, £997,148 and £80,000 respectively (2013 £3,466, £980,414 and £120,000). At the balance sheet date the amount due to Skako Vibration A/S was £248,997 (2013 - £312,648).

Skako Vibration SA

(Fellow subsidiary)

During the year Skako Vibration Limited made purchases of £165,114 from Skako Vibration SA (2013 £780,114). At the balance sheet date the amount due to Skako Vibration SA was £6,793 (2013 - £143,221).

21 Control

The company is controlled by Skako Vibration A/S. The ultimate parent company is Skako A/S which prepares publicly available consolidated accounts including the results of this company. Copies of the consolidated accounts may be obtained from Skako A/S, DK5600, Faaborg, Denmark. The ultimate controlling party is not known.