

## **Abrasive Technology Limited**

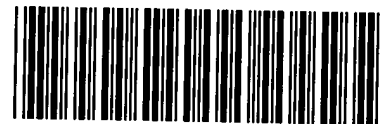
Abbreviated Accounts

Year Ended

31 December 2014

Company Number 2874855

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# **Abrasive Technology Limited**

**Abbreviated accounts  
for the year ended 31 December 2014**

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### **Director**

L M Peterman Jnr

### **Secretary and registered office**

A Seymour,  
Unit 11 Boundary Business Court, 92-94 Church Road, Mitcham, Surrey, CR4 3TD

### **Company number**

2874855

### **Auditors**

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

# Abrasive Technology Limited

## Independent auditor's report

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### To Abrasive Technology Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of Abrasive Technology Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

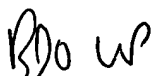
### Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 444 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 "The special auditor's report on abbreviated accounts in the United Kingdom" 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

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



*Philip Storer (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*Manchester*  
*United Kingdom*

05/05/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

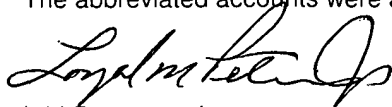
# Abrasive Technology Limited

## Balance sheet at 31 December 2014

<i>Company number 2874855</i>	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	2		1,536,535		1,076,815
Fixed asset investments	3		-		95,967
			<hr/>		<hr/>
			1,536,535		1,172,782
<b>Current assets</b>					
Stocks		264,381		273,410	
Debtors	4	787,957		472,968	
Cash at bank and in hand		148,674		15,343	
		<hr/>		<hr/>	
		1,201,012		761,721	
<b>Creditors: amounts falling due within one year</b>		<hr/>		<hr/>	
		219,208		194,933	
<b>Net current assets</b>			<hr/>		<hr/>
			981,804		566,788
<b>Total assets less current liabilities</b>			<hr/>		<hr/>
			2,518,339		1,739,570
<b>Creditors: amounts falling due after more than one year</b>			<hr/>		<hr/>
			-		582,956
			<hr/>		<hr/>
			2,518,339		1,156,614
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	5	1,834,282		1,833,282	
Share premium account	6	758,080		1,259,080	
Revaluation reserve	6	157,464		159,339	
Profit and loss account	6	(231,487)		(2,095,087)	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>			<hr/>		<hr/>
			2,518,339		1,156,614
			<hr/>		<hr/>

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

The abbreviated accounts were approved by the director and authorised for issue on 30 APR 2015.



L M Peterman Jnr  
Director

The notes on pages 3 to 7 form part of these abbreviated accounts.

# Abrasive Technology Limited

## Notes forming part of the abbreviated accounts for the year ended 31 December 2014

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### 1 Accounting policies

The abbreviated accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

The following principal accounting policies have been applied:

#### *Basis of preparation*

The company meets its day to day working capital requirements through funds loaned by group undertakings and facilities from its bankers which are repayable on demand. Based upon the working capital requirements identified from the forecasts prepared for the next twelve months, the company is reliant on the support of the parent company to continue its operations. The company has received a formal undertaking from its parent company that it will continue to provide such financial support for the foreseeable future and for a period of at least twelve months from the date of signing the financial statements. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis.

#### *Turnover*

Turnover represents sales to external customers at invoiced amount less value added tax.

#### *Land and buildings*

The company has taken advantage of the arrangements under Financial Reporting Standard 15 'Tangible fixed assets' which allow the carrying value of those assets acquired prior to 31 December 1999, which had been revalued, to be retained. All additions to fixed assets since this date are stated at cost. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss account.

#### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2%
Plant and machinery	- 10%
Fixtures and fittings	- 20%
Assets under construction	- 0%

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

# Abrasive Technology Limited

## Notes forming part of the abbreviated accounts for the year ended 31 December 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

#### *Research and development*

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

# Abrasive Technology Limited

Notes forming part of the abbreviated accounts  
for the year ended 31 December 2014 (*continued*)

## 1 Accounting policies (*continued*)

### *Pension costs*

Contributions to defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

## 2 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<i>Cost or valuation</i>			
At 1 January 2014	1,163,359	2,437,611	3,600,970
Additions	-	551,901	551,901
	<hr/>	<hr/>	<hr/>
At 31 December 2014	<b>1,163,359</b>	<b>2,989,512</b>	<b>4,152,871</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2014	333,304	2,190,851	2,524,155
Provided for the year	22,949	69,232	92,181
	<hr/>	<hr/>	<hr/>
At 31 December 2014	<b>356,253</b>	<b>2,260,083</b>	<b>2,616,336</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2014	<b>807,106</b>	<b>729,429</b>	<b>1,536,535</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2013	830,055	246,760	1,076,815
	<hr/>	<hr/>	<hr/>

The freehold land and buildings were revalued by the then directors on Thursday, December 31, 1998 on an open market value basis supported by independent professional valuations dated 29 April 1998.

The company has taken advantage of the transitional provisions in FRS 15 to retain existing book values including those of unimpaired tangible assets which were previously stated at valuation.

# Abrasive Technology Limited

Notes forming part of the abbreviated accounts  
for the year ended 31 December 2014 (*continued*)

## 3 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 January 2014	446,125
Additions	294,586
	<hr/>
At 31 December 2014	<b>740,711</b>
	<hr/>
<i>Provisions</i>	
At 1 January 2014	350,158
Provided for the year	390,553
	<hr/>
At 31 December 2014	<b>740,711</b>
	<hr/>
<i>Net book value</i>	
At 31 December 2014	-
	<hr/>
At 31 December 2013	95,967
	<hr/>

The investment relates to Abrasive Technology Asia Pacific Pte Ltd, a wholly owned subsidiary undertaking registered in Singapore. Its principal activity is that of exporter, importer and dealer in general precision industrial tooling.

During the year ended 31 December 2014 the subsidiary undertaking reported a loss of £242,709 (2013: loss of £176,241) and had a capital and reserves of £267,532 at the balance sheet date (2013: £52,750). Having considered the future cash flow forecast for the entity, the director considers that a £740,711 provision for impairment is necessary.

## 4 Debtors

	2014 £	2013 £
Amounts receivable after more than one year		
Other debtors	<b>30,000</b>	30,000
	<hr/>	<hr/>



# Abrasive Technology Limited

Notes forming part of the abbreviated accounts  
for the year ended 31 December 2014 (*continued*)

## 5 Share capital

	2014 £	2013 £
<i>Allotted and called up</i>		
1,834,282 (2013: 1,833,282) Ordinary shares of £1 each	<b>1,834,282</b>	1,833,282

On 22 December 2014 1,000 Ordinary with a nominal value of £1 each were issued for consideration of £2,500,000. £550 remains unpaid on each share.

## 6 Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 January 2014	1,259,080	159,339	(2,095,087)
Premium on shares issued during the year	2,499,000	-	-
Loss for the year	-	-	(1,138,275)
Capital reduction	(3,000,000)	-	3,000,000
Revaluation reserve transfer	-	(1,875)	1,875
	<b>758,080</b>	<b>157,464</b>	<b>(231,487)</b>

On 19 December 2014 the share premium of the company was reduced from £3,758,080 to £758,080 and was reported as a reduction of capital.