

**System Plast Limited**

**Directors' report and financial  
statements**

Registered number 03211982

For the year ended 30 September 2013

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## Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2013

### Principal activities and business review

The principal activity of the company in the year under review was that of supply of conveyor components

The results for the financial year can be found in the profit and loss account on page 5

### Directors

The directors who held office during the year were as follows

M Valentino  
PM Van Den Bempt  
M Manzoni

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year

### Disclosure of information to auditors

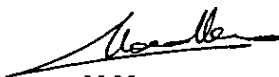
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditor

On 13 September 2013, KPMG LLP were appointed as the auditor of the company

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



M Manzoni  
Director

Unit 3-4  
Churchlands Business Park  
Ufton Road  
Harbury  
Warwickshire  
CV33 9GX

28 January 2014

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Independent auditor's report to the members of System Plast Limited**

We have audited the financial statements of System Plast Limited for the year ended 30 September 2013 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 2, 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Basis for qualified opinion on financial statements**

With respect to stock having a carrying amount of £104,344 as at 30 September 2012, the evidence available to us was limited because we did not observe the counting of the physical stock as of 30 September 2012, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Any adjustments would have a consequential effect on the company's net assets as at that date and on its profit for the years ended 30 September 2012 and 30 September 2013.

### **Qualified opinion on financial statements**

In our opinion, except for the possible effect solely on the comparative information for the year ended 30 September 2012 of the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2013.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements

- give a true and fair view of the company's profit for the year ended 30 September 2013,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of System Plast Limited *(continued)***

### **Other matter - Prior period financial statements**

In forming our opinion on the financial statements, which is modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

### **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.

### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to stocks as at 30 September 2012

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

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

- 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



**Xavier Timmermans (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

**4 February 2014**

**Profit and loss account**  
*for the year ended 30 September 2013*

	<i>Note</i>	2013 £	2012 Unaudited £
<b>Turnover</b>	2	1,418,814	1,406,846
Cost of sales		(673,318)	(598,459)
<b>Gross profit</b>		<u>745,496</u>	<u>808,387</u>
Administrative expenses		(325,034)	(404,075)
Other operating income	4	6,114	108,012
<b>Operating profit</b>	3	<u>426,576</u>	<u>512,324</u>
Interest receivable and similar income	7	2,580	1,590
<b>Profit on ordinary activities before taxation</b>		<u>429,156</u>	<u>513,914</u>
Tax on profit on ordinary activities	8	(99,913)	(102,192)
<b>Profit for the financial year</b>	15	<u><u>329,243</u></u>	<u><u>411,722</u></u>

**Statement of total recognised gains and losses**

There were no recognised gains and losses other than the results for the years reported above

**Balance sheet**  
*at 30 September 2013*

	<i>Note</i>	<b>2013</b> £	£	2012 Unaudited £	£
<b>Fixed assets</b>					
Tangible fixed assets	9		1,095		1 554
<b>Current assets</b>					
Stocks	10	99,343		104,344	
Debtors	11	1,649,894		1,304,476	
Cash at bank and in hand		7,259		7,063	
		<u>1,756,496</u>		<u>1,415,883</u>	
<b>Creditors, amounts falling due within one year</b>	12	<u>(364,289)</u>		<u>(353,258)</u>	
<b>Net current assets</b>			<u>1,392,207</u>		<u>1,062,625</u>
<b>Total assets less current liabilities</b>			<u>1,393,302</u>		<u>1,064,179</u>
<b>Provisions for liabilities</b>	13		<u>(253)</u>		<u>(373)</u>
<b>Net assets</b>			<u>1,393,049</u>		<u>1,063,806</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		<u>1,392,949</u>		<u>1,063,706</u>
<b>Shareholders' funds</b>	16		<u>1,393,049</u>		<u>1,063,806</u>

These financial statements were approved by the board of directors on 28 January 2014 and were signed on its behalf by



**M Manzoni**  
*Director*

Company registered number 03211982



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable UK Generally Accepted Accounting Practice and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Emerson Electric Co, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

#### *Going concern*

Despite the economic conditions, the company has remained profitable and has access to funds from the group cash pool arrangement. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements

#### *Tangible fixed assets depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery	- 20% on reducing balance
Furniture and equipment	- 20% on reducing balance
Computer equipment	- 33% on cost

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised 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 otherwise required by FRS 19

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers. Turnover is recognised on the date of despatch of goods to customers

## Notes (continued)

### 2 Analysis of turnover

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2013	2012
	£	Unaudited £
United Kingdom	1,397,090	1,339,458
Europe	21,724	67,388
	<u>1,418,814</u>	<u>1,406,846</u>

### 3 Operating profit

	2013	2012
	£	Unaudited £

*Operating profit on ordinary activities before taxation is stated after charging*

Depreciation		
Owned	459	1,026
	<u>459</u>	<u>1,026</u>

*Auditors' remuneration*

Audit of these financial statements	9,000	-
	<u>9,000</u>	<u>-</u>

### 4 Other operating income

In the previous year, a loan of £108,000 due to a fellow group company System Plast Spa was written off

### 5 Remuneration of directors

The directors received no remuneration from the company and the company has not been recharged for services provided by the three directors (2012 £Nil)

### 6 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows

	Number of employees 2013	2012 Unaudited
Administration and management	3	6
	<u>3</u>	<u>6</u>

**Notes** *(continued)*

**6 Staff numbers and costs** *(continued)*

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	165,169	220,889
Social security costs	20,328	27,349
	<u>185,497</u>	<u>248,238</u>

**7 Interest receivable and similar income**

	2013 £	2012 Unaudited £
Interest receivable on group cash pool arrangement	<u>2,580</u>	<u>1,590</u>

**8 Taxation**

*Analysis of charge in period*

	2013 £	2012 Unaudited £
<i>UK corporation tax</i>		
Current tax on income for the period	<u>100,033</u>	<u>102,559</u>
Total current tax	100,033	102,559
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	<u>(120)</u>	<u>(367)</u>
Total deferred tax	(120)	(367)
Tax on profit on ordinary activities	<u>99,913</u>	<u>102,192</u>

## Notes (continued)

### 8 Taxation (continued)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2012 lower) than the standard rate of corporation tax in the UK of 23.5% (2012 25%). The differences are explained below

	2013 £	2012 Unaudited £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	429,156	513,914
Current tax at 23.5% (2012 25%)	100,852	128,479
<i>Effects of</i>		
Expenses not deductible for tax purposes	616	1,080
Income not taxable	(1,435)	(27,000)
Total current tax charge (see above)	100,033	102,559

#### Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 September 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

### 9 Tangible fixed assets

	Plant and machinery £	Furniture and equipment £	Computer equipment £	Total £
<i>Cost</i>				
At beginning and end of year	6,675	9,787	2,394	18,856
<i>Depreciation</i>				
At beginning of year	5,978	9,196	2,128	17,302
Charge for year	103	90	266	459
At end of year	6,081	9,286	2,394	17,761
<i>Net book value</i>				
At 30 September 2013	594	501	-	1,095
At 30 September 2012 (unaudited)	697	591	266	1,554

### 10 Stocks

	2013 £	2012 Unaudited £
Finished goods and goods for resale	99,343	104,344

## Notes (continued)

### 11 Debtors

	2013	2012
	£	Unaudited £
Trade debtors	367,750	323,495
Amounts owed by group undertakings	1,255,375	952,873
Other debtors	26,769	28,108
	<u>1,649,894</u>	<u>1,304,476</u>

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

	2013	2012
	£	Unaudited £
Trade creditors	15,195	15,488
Amounts owed to group undertakings	218,615	161,986
Taxation and social security	115,388	167,160
Other creditors	15,091	8,624
	<u>364,289</u>	<u>353,258</u>

### 13 Provisions for liabilities

	Deferred taxation £
At beginning of year	373
Credit to the profit and loss for the year	(120)
At end of year	<u>253</u>

The elements of deferred taxation are as follows

	2013	2012
	£	Unaudited £
Accelerated capital allowances	<u>253</u>	<u>373</u>

### 14 Called up share capital

	2013	2012
	£	Unaudited £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## Notes (continued)

### 15 Reserves

	Profit and loss account £
At beginning of year	1,063,706
Profit for the financial year	329,243
	<hr/>
At end of year	1,392,949
	<hr/>

### 16 Reconciliation of movement in shareholders' funds

	2013 £	2012 Unaudited £
Profit for the financial year	329,243	411,722
Opening shareholders' funds	1,063,806	652,084
	<hr/>	<hr/>
Closing shareholders' funds	1,393,049	1,063,806
	<hr/>	<hr/>

### 17 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2013 Land and buildings £000	Other £000	2012 Land and buildings £000	Unaudited Other £000
Operating leases which expire				
Within one year	-	8,314	-	1,669
In the second to fifth years inclusive	40,000	-	40,000	13,260
	<hr/>	<hr/>	<hr/>	<hr/>
	40,000	8,314	40,000	14,929
	<hr/>	<hr/>	<hr/>	<hr/>

### 18 Intermediate parent undertaking and ultimate holding company and controlling party

The company's immediate parent undertaking is System Plast S r l, a company incorporated in Italy

The company's parent undertaking which heads the smallest higher group of undertakings for which group accounts are drawn up and of which the company is a member is Emerson Sice S r l, a holding company incorporated in Italy

The company's ultimate holding company and controlling party is Emerson Electric Co , a company incorporated in the United States of America

Copies of the annual financial statements of the ultimate holding company are available from Emerson Electric Co , 8000 West Florissant Avenue, PO Box 4100, St Louis, Missouri 63136, USA