

Main Tool Company Limited

Abbreviated accounts
Registered number SC040330
30 April 2010

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KPMG LLP

191 West George Street
Glasgow
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United Kingdom

Independent auditors' report to Main Tool Company Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 2 to 8 together with the financial statements of Main Tool Company Limited for the year ended 30 April 2010 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 such a 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 auditors

The directors are 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.

Basis of opinion

We conducted our work in accordance with Bulletin 2009/4 *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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been 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.

B Marks.

B Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

29 October 2010

Balance sheet
as at 30 April 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	2		329,793		419,323
Current assets					
Stocks		276,633		207,024	
Debtors		458,471		723,602	
Cash at bank and in hand		196,788		335,102	
		<u>931,892</u>		<u>1,265,728</u>	
Creditors: amounts falling due within one year		<u>(491,448)</u>		<u>(514,407)</u>	
Net current assets			<u>440,444</u>		<u>751,321</u>
Total assets less current liabilities			<u>770,237</u>		<u>1,170,644</u>
Provisions for liabilities and charges			-		(2,767)
Net assets excluding pension liability			<u>770,237</u>		<u>1,167,877</u>
Pension liability	4		(144,720)		(126,240)
Net assets			<u>625,517</u>		<u>1,041,637</u>
Capital and reserves					
Called up share capital	3		18,600		18,600
Share premium account			1,000		1,000
Capital redemption reserve			12,200		12,200
Other reserves			1,269		1,269
Profit and loss account			592,448		1,008,568
Shareholders' funds			<u>625,517</u>		<u>1,041,637</u>

These accounts have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors on 21 October 2010 and were signed on its behalf by:

J Smith

J Smith
Director

Company registered number: SC040330

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have, subject to the note below, been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and on the going concern basis for the reasons set out below:

The company meets its day to day working capital facilities through its cash balances and, where necessary an overdraft facility that is due for renewal on December 2010. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility. The company will open formal renewal negotiations with the bank in due course, however, the company has held discussion with and received correspondence from its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Fixed assets and depreciation

Depreciation is provided by the company 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:

Freehold buildings	-	50 years
Plant and machinery	-	4 - 8 years
Fixtures, fittings, tools and equipment	-	4 - 10 years

No depreciation is provided on freehold land.

Pensions – defined benefit pension scheme

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Pensions – defined contribution pension schemes

The Company contributes to defined contribution pension schemes on behalf of certain employees. The assets of these schemes are held separately from those of the Company in an independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, the weighted average purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes direct labour cost and an appropriate proportion of attributable overheads.

Notes (continued)

1 Accounting policies (continued)

Taxation

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 otherwise required by FRS 19.

Lease arrangements

Rentals under operating leases are charged to profit as they fall due under the terms of the agreements.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

2 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£	£
Cost				
At beginning of year	204,771	3,481,373	57,003	3,743,147
Additions	4,000	-	5,949	9,949
Disposals	-	(239,338)	(10,021)	(249,359)
At end of year	208,771	3,242,035	52,930	3,503,736
Depreciation				
At beginning of year	110,241	3,170,875	42,709	3,323,825
Charge for year	3,443	83,148	8,637	95,228
On disposals	-	(235,088)	(10,021)	(245,109)
At end of year	113,684	3,018,935	41,325	3,173,944
Net book value				
At 30 April 2010	95,087	223,100	11,605	329,792
At 30 April 2009	94,530	310,498	14,294	419,322

The gross book value of land and buildings includes £172,171 (2009: £168,171) of depreciable assets.

Notes (continued)

3 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
30,000 Ordinary shares of £1 each	30,000	30,000
30,000 'A' Ordinary shares of £1 each	30,000	30,000
	<hr/>	<hr/>
	60,000	60,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
17,800 Ordinary shares of £1 each	17,800	17,800
800 'A' Ordinary shares of £1 each	800	800
	<hr/>	<hr/>
	18,600	18,600
	<hr/>	<hr/>

4 Pension scheme

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer.

	2010 £	2009 £
Present value of funded defined benefit obligations	(2,249,000)	(1,870,000)
Fair value of plan assets	2,048,000	1,688,000
	<hr/>	<hr/>
	(201,000)	(182,000)
Deficit	(201,000)	(182,000)
Related deferred tax asset	56,280	55,760
	<hr/>	<hr/>
Net liability	(144,720)	(126,240)
	<hr/>	<hr/>

Movements in present value of defined benefit obligation

	2010 £	2009 £
At 1 May	1,870,000	1,824,000
Current service cost	44,000	43,000
Interest cost	124,000	120,000
Actuarial losses/(gains)	281,000	4,000
Benefits paid	(76,000)	(127,000)
Charges paid	(5,000)	(5,000)
Contributions by employees	11,000	11,000
	<hr/>	<hr/>
At 30 April	2,249,000	1,870,000
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Notes (continued)

4 Pension scheme (continued)

Movements in fair value of plan assets

	2010 £	2009 £
At 1 May	1,688,000	1,727,000
Expected return on plan assets	99,000	97,000
Actuarial losses	208,000	(163,000)
Contributions by employer	123,000	148,000
Contributions by members	11,000	11,000
Benefits paid	(76,000)	(127,000)
Charges paid	(5,000)	(5,000)
	<hr/>	<hr/>
At 31 December	2,048,000	1,688,000
	<hr/>	<hr/>

Expense recognised in the profit and loss account

	2010 £	2009 £
Current service cost	(44,000)	(43,000)
Interest on defined benefit pension plan obligation	(124,000)	(120,000)
Expected return on defined benefit pension plan assets	99,000	97,000
	<hr/>	<hr/>
Total	(69,000)	(66,000)
	<hr/>	<hr/>

The expense is recognised in the following line items in the profit and loss account:

	2010 £	2009 £
Administrative expenses	(44,000)	(43,000)
Interest payable and similar charges	(25,000)	(23,000)
	<hr/>	<hr/>
	(69,000)	(66,000)
	<hr/>	<hr/>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is £(73,000) (2009: £163,000).

Cumulative actuarial gains/losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 under paragraph 96 of FRS 17, are £(540,000) (2009: £(467,000)).

Notes (continued)

4 Pension scheme (continued)

The fair value of the plan assets and the return on those assets were as follows:

	2010 Fair value £	2009 Fair value £
Government debt	468,000	346,000
Corporate bonds	501,000	394,000
Cash	24,000	14,000
Insured pensioners	1,055,000	934,000
	<u>2,048,000</u>	<u>1,688,000</u>

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2010	2009
Discount rate	5.5%	6.6%
Expected rate of return on plan assets	0.5% to 5.5%	0.5% to 6.6%
Future salary increases	3.7%	3.0%
Rate of increase in pensions in payment	3.7%	3.4%
Rate of increase of pensions in deferment	3.7%	3.4%
Inflation assumption	3.7%	3.4%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

Current pensioner aged 65: 87 years (male), 90 years (female).

Future retiree upon reaching 65: 89 years (male), 92 years (female).

Notes (continued)

4 Pension scheme (continued)

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Present value of scheme liabilities	(2,249)	(1,870)	(1,824)	(1,231)	(1,261)
Fair value of scheme assets	2,048	1,688	1,727	968	1,056
(Deficit)/surplus	(201)	(182)	(97)	(263)	(205)

Experience adjustments

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Experience adjustments on scheme liabilities	208	(159)	(95)	31	81
Experience adjustments on scheme assets	(44)	(43)	(56)	(69)	(14)

The company expects to contribute approximately £157,000 to its defined benefit plans in the next financial year.