Main Tool Company Limited

Abbreviated accounts
Registered number SC040330
30 April 2015

Contents

KPMG

KPMG LLP
191 West George Street
Glasgow
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United Kingdom

Independent auditor's 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 7 together with the financial statements of Main Tool Company Limited for the year ended 30 April 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 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 auditor

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 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 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.

BMarks

Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
18 September 2015

Balance sheet
as at 30 April 2015

	Note	2015	2015	2014	2014
		£	£	£	£
Fixed assets					
Tangible assets	2		**810,352**		900,009
Current assets					
Stocks		**293,759**		416,331	
Debtors		**573,489**		818,028	
Cash at bank and in hand		**697,332**		709,664	
		1,564,580		1,944,023	
Creditors: amounts falling due within one year		**(602,233)**		(1,099,116)	
Net current assets			**962,347**		844,907
Total assets less current liabilities			**1,772,699**		1,744,916
Provisions for liabilities					
Deferred taxation			**(70,216)**		(21,400)
Net assets excluding pension asset			**1,702,483**		1,723,516
Pension asset/(liability)	4		**2,400**		24,000
Net assets			**1,704,883**		1,747,516
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			**1,671,814**		1,714,447
Shareholders' funds - equity			**1,704,883**		1,747,516

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small company regime.

These financial statements were approved by the board of directors on 11 September 2015 and were signed on its behalf by:

D Semple
Director

David Semple

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.

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 in December 2015. 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 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	-	3 - 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 fund. 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.

A net deferred tax asset is recognised only when it can be regarded as more likely than note that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement on the grounds that the company is a small company.

2 Tangible fixed assets

	Freehold land and buildings	**Plant and machinery**	**Fixtures, fittings, tools and equipment**	**Total**
	£	£	£	£
Cost				
At beginning of year	217,754	3,779,374	39,487	4,036,615
Additions	-	96,618	12,839	109,457
Disposals	-	(57,489)	-	(57,489)
At end of year	217,754	3,818,503	52,326	4,088,583
Depreciation				
At beginning of year	130,177	2,978,260	28,169	3,136,606
Charge for year	4,123	180,662	5,987	190,772
On disposals	-	(49,147)	-	(49,147)
At end of year	134,300	3,109,775	34,156	3,278,231
Net book value				
At 30 April 2015	**83,454**	**708,728**	**18,170**	**810,352**
At 30 April 2014	87,577	801,114	11,318	900,009

The gross book value of land and buildings includes £206,154 *(2014: £206,154)* of depreciable assets.

Notes *(continued)*

3 Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
17,800 Ordinary shares of £1 each	**17,800**	17,800
800 'A' Ordinary shares of £1 each	**800**	800
	18,600	18,600

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.

	2015	2014
	£	£
Present value of funded defined benefit obligations	**(2,473,000)**	(2,364,000)
Fair value of plan assets	**2,581,000**	2,482,000
Unrecognised actuarial gain	**(105,000)**	**(88,000)**
Surplus	**3,000**	30,000
Related deferred tax asset	**(600)**	(6,000)
Net asset	**2,400**	24,000

Movements in present value of defined benefit obligation

	2015	2014
	£	£
At 1 May	**2,364,000**	2,586,000
Current service cost	**16,000**	22,000
Interest cost	**96,000**	94,000
Actuarial loss/(gain)	**160,000**	(93,000)
Benefits paid	**(170,000)**	(257,000)
Charges paid	**5,000**	10,000
Contributions by employees	**2,000**	2,000
At 30 April	**2,473,000**	2,364,000

Notes *(continued)*

4 Pension scheme *(continued)*

Movements in fair value of plan assets

	2015	2014
	£	£
At 1 May	**2,482,000**	2,517,000
Expected return on plan assets	**76,000**	58,000
Actuarial gain/(loss)	**6,000**	(78,000)
Contributions by employer	**185,000**	240,000
Contributions by members	**2,000**	2,000
Benefits paid	**(170,000)**	(257,000)
At 30 April	**2,581,000**	2,482,000

Expense recognised in the profit and loss account

	2015	2014
	£	£
Current service cost	**(21,000)**	(32,000)
Interest on defined benefit pension plan obligation	**(96,000)**	(94,000)
Expected return on defined benefit pension plan assets	**76,000**	58,000
Total	**(41,000)**	(68,000)

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

	2015	2014
	£	£
Administrative expenses	**(21,000)**	(32,000)
Interest payable and similar charges	**(20,000)**	(36,000)
	(41,000)	(68,000)

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial losses is £171,000 *(2014: £73,000).*

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 £981,000 *(2014: £810,000).*

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

	2015	2014
	Fair value	Fair value
	£	£
Cash	**534,000**	671,000
Insured pensioners	**2,047,000**	1,811,000
	2,581,000	2,482,000

Notes *(continued)*

4 Pension scheme *(continued)*

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:

	2015	2014
Discount rate	**3.3%**	4.2%
Expected rate of return on plan assets	**0.5% to 3.3%**	0.5% to 4.2%
Future salary increases	**2.7%**	3.0%
Rate of increase in pensions in payment	**0.5% to 2.7%**	2.2% to 3.0%
Rate of increase of pensions in deferment	**1.9%**	2.2%
Inflation assumption	**2.7%**	3.0%

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), 91 years (female).

History of plan

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

Balance sheet

	2015	2014	2012	2011
	£000	£000	£000	£000
Present value of scheme liabilities	**(2,473)**	(2,364)	(2,586)	(2,347)
Fair value of scheme assets	**2,581**	2,482	2,517	2,328
Surplus/deficit before unrecognised actuarial loss	**108**	118	(69)	(19)

Experience adjustments

	2015	2014	2012	2011
	£000	£000	£000	£000
Experience adjustments on scheme liabilities	**8**	6	(49)	(2)
Experience adjustments on scheme assets	**6**	(78)	9	112

The company do not expect to its defined benefit plan in the next financial year.