

COMPANY REGISTRATION NUMBER 1080251

**CRESSALL RESISTORS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

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CRESSALL RESISTORS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

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CRESSALL RESISTORS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D Atkins
M Fornari
M C Nicholls

Company secretary

D Atkins

Registered office

Evington Valley Road
Leicester
LE5 5LZ

Auditor

Streets Audit LLP
Chartered Accountants
& Statutory Auditor
87 Park Road
Peterborough
Cambridgeshire
PE1 2TN

Bankers

National Westminster Bank Plc
Gateway House
4 Penman Way
Grove Park
Enderby
Leicestershire
LE19 1SY

CRESSALL RESISTORS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business, incorporating our key performance indicators and the principal risks and uncertainties that the business faces.

Although turnover has reduced for the year, improved operating efficiencies have resulted in a gross profit percentage of 29.87% compared to 27.99% in 2013.

The directors expect a similar turnover in 2015 as in 2014 as a result of the uncertain world economy. Total overall expenses are expected to remain at similar levels to 2014.

Financial risk management objectives and policies

The company's principal financial instruments comprise cash and various items such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks. The main risk arising from the company's financial instruments are credit risk, currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Credit risk

The company seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner.

Currency risk

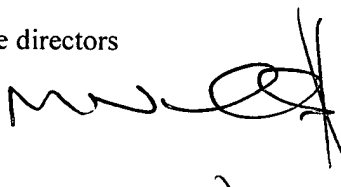
The company minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling where possible, and where not by balancing as far as possible sales and purchases in Dollars and Euros.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities. The company as far as possible minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling.

The company is exposed, as are its competitors, to fluctuating steel prices. Consideration is given to this when tendering for contracts.

Signed on behalf of the directors

 M C Nicholls
Director

Approved by the directors on 21/9/15 DATE

CRESSALL RESISTORS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £671,666. Particulars of dividends paid are detailed in note 7 to the financial statements.

RESEARCH AND DEVELOPMENT

During the year the company incurred £23,952 (2013 - £101,419) in research and development costs.

DIRECTORS

The directors who served the company during the year were as follows:

D Atkins
M Fornari
M C Nicholls
C Wilkinson

C Wilkinson resigned as a director on 31 December 2014.

S Bruckner was appointed as a director on 15 April 2015.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

CRESSALL RESISTORS LIMITED

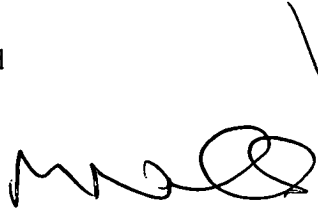
DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all 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 auditor is aware of that information.

Registered office:
Evington Valley Road
Leicester
LE5 5LZ



Signed on behalf of the directors

M C Nicholls

Director

Approved by the directors on 31/12/15 JANE

CRESSALL RESISTORS LIMITED

INDEPENDENT AUDITOR'S REPORT TO CRESSALL RESISTORS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet and the related notes, together with the financial statements of Cressall Resistors Limited for the year ended 31 December 2014 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 a special 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 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 445 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 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



JONATHAN DAY (Senior Statutory Auditor)

For and on behalf of

STREETS AUDIT LLP

Chartered Accountants & Statutory Auditor

87 Park Road
Peterborough
Cambridgeshire
PE1 2TN

8/9/2015

CRESSALL RESISTORS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER		10,597,624	11,885,856
Cost of Sales and Other operating income		7,431,580	8,564,454
Administrative expenses		1,789,032	1,731,831
OPERATING PROFIT	2	1,377,012	1,589,571
Interest receivable		1,987	1,919
Amounts written off investments	5	–	(185,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,378,999	1,406,490
Tax on profit on ordinary activities	6	707,333	30,279
PROFIT FOR THE FINANCIAL YEAR		671,666	1,376,211

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 19 form part of these abbreviated accounts.

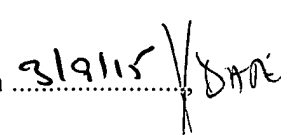
CRESSALL RESISTORS LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	375,093	430,216
Tangible assets	9	<u>720,149</u>	<u>590,827</u>
		1,095,242	1,021,043
CURRENT ASSETS			
Stocks	10	1,288,317	1,195,037
Debtors	11	2,400,130	3,146,649
Cash at bank and in hand		<u>2,779,903</u>	<u>1,425,091</u>
		6,468,350	5,766,777
CREDITORS: Amounts falling due within one year	12	<u>2,229,864</u>	<u>1,704,710</u>
NET CURRENT ASSETS		4,238,486	4,062,067
TOTAL ASSETS LESS CURRENT LIABILITIES		5,333,728	5,083,110
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	<u>73,467</u>	<u>23,469</u>
		5,260,261	5,059,641
CAPITAL AND RESERVES			
Called-up equity share capital	16	1,000,000	1,000,000
Profit and loss account	17	<u>4,260,261</u>	<u>4,059,641</u>
SHAREHOLDERS' FUNDS	18	5,260,261	5,059,641

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 31/12/15 and are signed on their behalf by: 


M C Nicholls
Director

Company Registration Number: 1080251

The notes on pages 8 to 19 form part of these abbreviated accounts.

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents work done during the year, exclusive of Value Added Tax.

In respect of long term contracts, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts is recognised by reference to the stage of completion.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Goodwill and intangibles

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Patents are initially recorded at cost.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- straight line over 20 years
Patents	- 20% straight line

Fixed assets

All fixed assets are initially recorded at cost.

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10% straight line
Plant Equipment and tooling	- 8% to 33% straight line
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is derived from purchase invoices. Stock is recorded on a first in first out basis.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Investments are initially recorded at cost and subsequently included in the accounts at the lower of cost and net recoverable amount.

Income from investments is included in the profit and loss account in the accounting period to which it relates.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£	£
Amortisation of intangible assets	72,123	65,323
Depreciation of owned fixed assets	150,343	111,759
Auditor's remuneration		
- as auditor	16,000	16,500
- for other services	2,700	2,500
Operating lease costs:		
- Other	198,281	196,001
Net loss on foreign currency translation	73,488	23,263
Operating lease costs	23,084	19,670
Research and development costs	<u>23,952</u>	<u>101,419</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	64	68
Number of management and administrative staff	39	37
	<u>103</u>	<u>105</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	1,452,550	1,653,234
Social security costs	214,841	221,612
Pension costs	97,359	82,148
	<u>1,764,750</u>	<u>1,956,994</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	303,809	302,225
Value of company pension contributions to money purchase schemes	24,116	21,295
	<u>327,925</u>	<u>323,520</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	95,827	96,791
Value of company pension contributions to money purchase schemes	9,618	8,295
	<u>105,445</u>	<u>105,086</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	2013
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

5. AMOUNTS WRITTEN OFF INVESTMENTS

During the comparative year the company invested £185,000 in a Limited Liability Partnership. At the comparative balance sheet date the directors considered the investment for impairment in accordance with Financial Reporting Standard 11. The nature of the investment makes predicting future returns difficult and based on all of the available evidence as at the comparative balance sheet date the directors concluded that the value of the investment may not be recoverable. For this reason the investment was fully impaired.

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014		2013	
	£	£	£	£
Current tax:				
In respect of the year:				
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)		657,335		16,430
Total current tax		657,335		16,430
Deferred tax:				
Origination and reversal of timing differences (note 13)				
Capital allowances	50,432		14,324	
Other	(434)		(475)	
Total deferred tax (note 13)		49,998		13,849
Tax on profit on ordinary activities		707,333		30,279

CRESSALL RESISTORS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

The company claimed trading losses from investments in Limited Liability Partnerships in earlier years which were required to be disclosed under DOTAS arrangements. Consequently, HM Revenue & Customs opened enquiries into the loss claims, although the company is confident that these will be concluded without requiring any adjustments to the previously submitted corporation tax returns.

Following proposals announced in the Budget 2014, on 17 March 2014, and the subsequent enactment of the Finance Bill 2014, on 17 July 2014, HM Revenue & Customs obtained the power, under limited circumstances, to require the company to pay on account the additional corporation tax that would be payable if they are successful in their challenge against the original tax losses claimed from the Limited Liability Partnership. HM Revenue & Customs used these powers and issued Advanced Payment Notices to the company that requires a payment on account of £688,352 to be made.

At the time the company made one of the investments it also entered into an insurance policy which, should the original loss relief be ultimately denied by HM Revenue & Customs, would reimburse the company for the cost of the investment and the insurance premium paid. Taking into account the benefit of this policy, the net liability to the company would be £389,562.

The directors have considered that the benefit of the insurance policy should be netted off against the liability under the Advanced Payment Notices, which is contrary to Financial Reporting Standard 12 as without this net-off the position reported would be more adverse than the worst case outcome for the company. The benefit of the insurance policy has therefore been recognised as a debtor due outside 1 year and netted off against the payment made under the Advanced Payment Notices in arriving at the tax charge above of £389,562.

The directors consider that £688,352 will ultimately be repaid to the company once the original tax enquiry has been concluded, however this is contingent on a successful conclusion of the original tax enquiry and as such under financial reporting standards this cannot be recognised as an asset.

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,378,999</u>	<u>1,406,490</u>
Profit on ordinary activities by rate of tax	296,485	327,009
Expenses not deductible for tax purposes	571	68,060
Capital allowances in excess of depreciation	(29,283)	(29,217)
Losses relief surrendered	-	(349,422)
Advanced payment to HMRC	<u>389,562</u>	-
Total current tax (note 6(a))	<u>657,335</u>	<u>16,430</u>

CRESSALL RESISTORS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

7. DIVIDENDS

Equity dividends

	2014 £	2013 £
Paid		
Equity dividends on ordinary shares	<u>471,046</u>	<u>600,000</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Patents £	Total £
COST			
At 1 January 2014	1,306,451	–	1,306,451
Additions	–	17,000	17,000
At 31 December 2014	<u>1,306,451</u>	<u>17,000</u>	<u>1,323,451</u>
AMORTISATION			
At 1 January 2014	876,235	–	876,235
Charge for the year	65,323	6,800	72,123
At 31 December 2014	<u>941,558</u>	<u>6,800</u>	<u>948,358</u>
NET BOOK VALUE			
At 31 December 2014	<u>364,893</u>	<u>10,200</u>	<u>375,093</u>
At 31 December 2013	<u>430,216</u>	–	<u>430,216</u>

CRESSALL RESISTORS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

9. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant, equipment, and tooling £	Fixtures & fittings £	Motor vehicles £	Total £
COST					
At 1 January 2014	56,512	1,679,700	151,204	15,600	1,903,016
Additions	—	269,681	3,634	6,350	279,665
At 31 December 2014	<u>56,512</u>	<u>1,949,381</u>	<u>154,838</u>	<u>21,950</u>	<u>2,182,681</u>
DEPRECIATION					
At 1 January 2014	8,069	1,165,949	129,742	8,429	1,312,189
Charge for the year	13,859	128,900	3,738	3,846	150,343
At 31 December 2014	<u>21,928</u>	<u>1,294,849</u>	<u>133,480</u>	<u>12,275</u>	<u>1,462,532</u>
NET BOOK VALUE					
At 31 December 2014	<u>34,584</u>	<u>654,532</u>	<u>21,358</u>	<u>9,675</u>	<u>720,149</u>
At 31 December 2013	<u>48,443</u>	<u>513,751</u>	<u>21,462</u>	<u>7,171</u>	<u>590,827</u>

Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	<u>14,124</u>	<u>71,130</u>

10. STOCKS

	2014 £	2013 £
Raw materials	1,151,440	929,733
Work in progress	136,877	265,304
	<u>1,288,317</u>	<u>1,195,037</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

11. DEBTORS

	2014	2013
	£	£
Trade debtors	1,897,246	2,579,071
VAT recoverable	–	114,307
Amounts recoverable on contracts	23,681	12,261
Other debtors	300,649	6,658
Prepayments and accrued income	178,554	434,352
	<u>2,400,130</u>	<u>3,146,649</u>

The debtors above include the following amounts falling due after more than one year:

	2014	2013
	£	£
Other debtors	<u>298,790</u>	<u>–</u>

Please see note 7 for further details of the debtor balance due after one year.

12. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Payments received on account	77,598	68,269
Trade creditors	918,279	1,063,142
Other creditors including taxation and social security:		
Advance corporation tax	688,352	–
Corporation tax	95,773	16,430
PAYE and social security	75,453	80,441
VAT	49,612	–
Other creditors	122,608	83,542
	<u>2,027,675</u>	<u>1,311,824</u>
Accruals and deferred income	202,189	392,886
	<u>2,229,864</u>	<u>1,704,710</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014	2013
	£	£
Provision brought forward	23,469	9,620
Profit and loss account movement arising during the year	49,998	13,849
Provision carried forward	<u>73,467</u>	<u>23,469</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

13. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	76,123	25,691
Other timing differences	<u>(2,656)</u>	<u>(2,222)</u>
	<u>73,467</u>	<u>23,469</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	4,413	-	871
Within 2 to 5 years	-	18,379	-	17,317
After more than 5 years	<u>168,641</u>	-	<u>168,641</u>	-
	<u>168,641</u>	<u>22,792</u>	<u>168,641</u>	<u>18,188</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

15. CONTINGENCIES

The company claimed trading losses from an investment in a Limited Liability Partnership in earlier years which was disclosed under DOTAS arrangements. Consequently, HM Revenue & Customs opened an enquiry into the loss claim, although the company is confident that the enquiry will be concluded without requiring any adjustments to the previously submitted corporation tax return. Following proposals announced in the Budget 2014, on 17 March 2014, and the subsequent enactment of the Finance Bill 2014, on 17 July 2014, HM Revenue & Customs now have the power, under limited circumstances, to require the company to pay on account the additional corporation tax that would be payable if they are successful in their challenge against the original tax losses claimed from the Limited Liability Partnership.

If HM Revenue & Customs use these powers the company would be required to make a payment on account of £349,474. At the time the company made the investment it also entered into an insurance policy which, should the loss relief be ultimately denied by HM Revenue & Customs, would reimburse the company for the cost of the investment and the insurance premium paid. Taking into account the benefit of this policy, the net liability to the company would be £129,498.

The directors consider that these matters amount to a contingent liability, both at the balance sheet date and also at the time of approving these financial statements. There remains a high degree of uncertainty as the company has not received any notification from HM Revenue & Customs that it will be required to make any such payment on account. On this basis the directors have concluded that under Financial Reporting Standard 12 the position needs to be disclosed as a contingent liability and not recognised as a provision as at the balance sheet date.

16. SHARE CAPITAL

Allotted, called up and fully paid:

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

17. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	4,059,641	3,283,430
Profit for the financial year	671,666	1,376,211
Equity dividends	<u>(471,046)</u>	<u>(600,000)</u>
Balance carried forward	<u>4,260,261</u>	<u>4,059,641</u>

CRESSALL RESISTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2014

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	671,666	1,376,211
Equity dividends	<u>(471,046)</u>	<u>(600,000)</u>
Net addition to shareholders' funds	200,620	776,211
Opening shareholders' funds	<u>5,059,641</u>	<u>4,283,430</u>
Closing shareholders' funds	<u><u>5,260,261</u></u>	<u><u>5,059,641</u></u>

19. ULTIMATE PARENT COMPANY

TPR Limited, a company Registered in England and Wales, is the immediate parent company.

The Directors consider there is no one ultimate controlling party.

6/13/13

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