

HL Display Shipley Limited

**Directors' report and financial
statements**

Registered number 2566482

31 December 2009

WEDNESDAY



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Contents

Directors' report	i
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors report to the members of HL Display Shipley Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is the manufacture and sale of display equipment

Business review

Turnover was 16% lower than 2008 this had a significant effect on the company profitability. Although savings were made in Overheads and Interest charges the loss recorded was higher than 2008.

Staffing levels are at the target levels and will not be increased in 2009

Proposed dividend

The directors do not recommend the payment of a dividend (2008 £nil)

Directors

The directors who held office during the year were as follows

X Volpato

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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

By order of the board



X Volpato
Director

HL House
Riverside Business Park
Dockfield Road
Shipley
BD17 7AD

28 January 2010

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.

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

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors report to the members of HL Display Shipley Limited

We have audited the financial statements of HL Display Shipley Limited for the year ended 31 December 2009 set out on pages 5 to 13. 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 auditors' 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 auditors

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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

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.

Independent auditors' report to the members of HL Display Shipley Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or 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 or
- we have not received all the information and explanations we require for our audit


Malcolm C Harding (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Leeds
LS1 4DW
Leeds

28 January 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover	1	1,304	1,554
Cost of sales		(1,055)	(1,212)
Gross profit		249	342
Administrative expenses		(438)	(423)
Operating loss	2	(189)	(81)
Interest payable and similar charges	3	(29)	(76)
Loss on ordinary activities before taxation		(218)	(157)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	13	(218)	(157)

All amounts relate to continuing operations

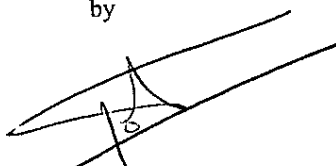
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been prepared

There are no material differences between the loss on ordinary activities before and after taxation as stated above and their historical cost equivalents

Balance sheet
at 31 December 2009

	<i>Note</i>	2009	2008
		£000	£000
Fixed assets			
Tangible assets	7	38	52
Current assets			
Stocks	8	113	94
Debtors	9	69	202
		<u>182</u>	<u>296</u>
Creditors amounts falling due within one year	10	(1,805)	(1,715)
Net current liabilities		<u>(1,623)</u>	<u>(1,419)</u>
Net liabilities		<u>(1,585)</u>	<u>(1,367)</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	(1,586)	(1,368)
Equity shareholders' deficit		<u>(1,585)</u>	<u>(1,367)</u>

These financial statements were approved by the board of directors on 28/1/2010 and were signed on its behalf by


X. Volpato
Director

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards on a going concern basis which assumes the continued support of the ultimate holding company

Going concern

Notwithstanding net current liabilities of £1 623 000 (2008 £1 419 000) and net liabilities of £1 585 000 (2008 £1 367 000) the financial statements have been prepared on a going concern basis

The directors believe the assumption to be appropriate as they have received written confirmation from its parent company HL Display (UK) Limited that it will continue to financially support the company in order for it to meet its day to day working capital requirements. The directors of the company therefore have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future

Cash flow statements

The company is a wholly owned subsidiary of HL Display AB and as such the cash flows of the company are included in the consolidated cash flow statement of HL Display AB. Consequently the company is exempt under the terms of FRS1 (revised 1996) from the requirement to publish a cash flow statement

Tangible fixed assets and 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

Improvements to leasehold properties	20% per annum on straight line basis
Plant and machinery	25% per annum on straight line basis
Fixtures, fittings and equipment	25% per annum on straight line basis
Motor vehicles	25% per annum on straight line basis

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. For work in progress and finished goods cost is taken as production cost which includes an appropriate proportion of attributable overheads

Deferred 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 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 FRS19

Turnover

Turnover represents amounts received for goods net of VAT and trade discounts. Turnover is recognised when economic risks and rewards are transferred to the third party

Notes (continued)

1 Accounting policies (continued)

Leasing and hire purchase commitments

Cost in respect of operating leases are charged on a straight line basis over the lease term

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

Pension costs

The company participates in a defined contribution scheme. Contributions payable are charged to the profit and loss account as they are incurred

2 Operating loss

	2009 £000	2008 £000
<i>Operating loss is stated after charging</i>		
Depreciation of owned tangible assets	17	19
Hire of plant and machinery – operating leases	6	14
Hire of other assets – operating leases	69	68
Auditors' remuneration		
- audit services	8	8
- non audit services	1	1
	<u> </u>	<u> </u>

3 Interest payable and similar charges

	2009 £000	2008 £000
Bank loans and overdraft	-	3
Group loans	29	73
	<u> </u>	<u> </u>
	29	76
	<u> </u>	<u> </u>

4 Directors' emoluments

	2009 £000	2008 £000
Remuneration and other benefits	-	-
	<u> </u>	<u> </u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	-
	<u> </u>	<u> </u>

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 19 (2008: 22)

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 (re-stated) £000
Wages and salaries	395	396
Social security costs	40	33
Other pension costs	7	8
	<u>443</u>	<u>437</u>

The company participates in a defined contribution pension scheme. The scheme provides pensions which depend on contributions made by both employers and employee. A fund is allocated to each individual member of the pension plan. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,608 (2008: £6,422).

6 Taxation

	2009 £000	2008 £000
<i>Current tax</i>		
UK corporation tax on losses of the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax (note 11)	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Notes (continued)

6 Taxation (continued)

Factors affecting credit for the year

The taxation rate for the year is lower (2008: lower) than the standard rate of UK corporation tax. The differences are explained below:

	2009 £000	2008 £000
Loss on ordinary activities before tax	(218)	(157)
Current tax at 28% (2008: 28%)	(61)	(44)
Effects of:		
Expenses not deductible for tax purposes	1	1
Differences between capital allowances and depreciation	(10)	(10)
Tax losses not utilised	-	42
Group losses not paid for	70	11
Current tax for period	-	-

7 Tangible assets

	Leasehold property improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 January 2009	40	261	104	405
Additions	-	3	-	3
At 31 December 2009	40	264	104	408
Depreciation				
At 1 January 2009	21	243	89	353
Charge for the year	5	8	4	17
At 31 December 2009	26	251	93	370
Net book value				
At 31 December 2009	14	13	11	38
At 31 December 2008	19	18	15	52

Notes (continued)

8 Stocks

	2009 £000	2008 £000
Raw materials and consumables	73	62
Work in progress	10	7
Finished goods and goods for resale	30	25
	<u>113</u>	<u>94</u>

9 Debtors

	2009 £000	2008 £000
Trade debtors	9	1
Amounts owed by group undertakings	27	103
Other debtors	1	64
Prepayments and accrued income	32	31
	<u>69</u>	<u>202</u>

10 Creditors - amounts falling due within one year

	2009 £000	2008 £000
Bank loans and overdrafts	947	794
Trade creditors	160	118
Amounts owed to group undertakings	671	783
Other creditors	16	14
Accruals and deferred income	11	6
	<u>1,805</u>	<u>1,715</u>

11 Deferred tax asset

	2009 £000	2008 £000
Accelerated capital allowances	46	41
Other timing differences	-	-
Trading losses	159	173
	<u>205</u>	<u>214</u>

The deferred tax asset has not been provided given that the directors consider that it will not reverse in the foreseeable future

The amount of tax losses carried forward at the end of the period are approximately £568 000 (2008: £600 000)

Notes (continued)

12 Share capital

	2009 £000	2008 £000
<i>Authorised, allotted, called up and fully paid</i>		
Equity 10,000 ordinary shares of £1 each	10	10
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1

13 Profit and loss account

	2009 £000	2008 £000
At beginning of the year	(1,368)	(1,211)
Loss for the financial year	(218)	(157)
At end of the year	(1,586)	(1,368)

14 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009		2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Expiring within one year	68	14	68	-
Expiring between two and five years	-	-	-	14
Expiring in over five years	-	-	-	-
	<u>68</u>	<u>14</u>	<u>68</u>	<u>14</u>

15 Related party disclosures

Under Financial Reporting Standard 8 the company is exempt from the requirements to disclose related party transactions with the HIL Display group on the grounds that it is a wholly owned subsidiary of HIL Display (UK) Limited.

Notes *(continued)*

16 Ultimate parent company

The company's parent company is HL Display (UK) Limited, a company incorporated in the United Kingdom. HL Display (UK) Limited is a subsidiary of HL Display AB, based in Sweden, therefore the ultimate parent company of HL Display Shipley Limited is HL Display AB.

A copy of the ultimate parent company's consolidated financial statements can be obtained from HL Display AB, Horisönsvägen 26, 128-34 Skarpnäck, Sweden.

17 Post balance sheet event

As a result of the acquisition of PPE Limited by HL Display AB in on 21 December 2009, the decision has been made by management in January 2009 to close the premises at Shipley and relocate activities to PPE Limited in Harlow, Essex.