

Financial Statements

Peppers Cable Glands Limited

For the year ended 31 December 2012



Registered number: 2720654

Peppers Cable Glands Limited

Company Information

Directors	Mr MI Lloyd (chairman) Mr T Thakore
Company secretary	Mr MS Lloyd
Registered number	2720654
Registered office	Summer Hill Works Powell Street Birmingham B1 3DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham B4 6AT

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Directors' Report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company is the manufacture and sale of electrical cable glands and accessories. There has been no significant change in the activity during the year.

Business review

The company experienced improving demand during the year principally in its European markets resulting in the overall 13% increase in turnover, however persistently high raw material prices and the strength of Sterling against the Euro contributed to a fall in raw margins to 40% from 43% in the prior year. Despite the fall in raw margins, the increased turnover combined with savings in certain overheads produced another excellent operating profit. The company invested further in stock during the year, strengthening net current assets to £1.7m.

The contribution of both management and employees to the excellent results for the year is both recognised and appreciated.

The outlook for demand during 2013 shows some further improvement, and whilst raw margins continue to come under pressure, overall the business is still expected to deliver another year of excellent operating profit.

Notes to key performance indicators

Raw margin is defined as turnover less change in stocks of finished goods and work in progress, less raw materials and consumables, expressed as a percentage of turnover.

Results and dividends

The profit for the year, after taxation, amounted to £792,407 (2011 - £695,827).

A final dividend of £400 per share amounting to £400,000 (2011 - £400,000) was declared on 31 December 2012.

Financial risk management objectives and policies

The company's principal financial instrument comprises a parent company loan account. The main purpose of this financial instrument is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the company's financial instruments is credit risk. The board reviews and agrees policy for managing this risk and this is summarised below.

Credit risk

The company trades with only recognised, creditworthy third parties. It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Directors' Report

For the year ended 31 December 2012

Directors

The directors who served the company were

Mr MI Lloyd (chairman)
Mr T Thakore

Directors' responsibilities statement

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 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- 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.

Directors' Report

For the year ended 31 December 2012

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 13 September 2013 and signed on its behalf



Mr MS Lloyd
Secretary



Independent Auditor's Report to the Members of Peppers Cable Glands Limited

We have audited the financial statements of Peppers Cable Glands Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 Auditor's Report to the Members of Peppers Cable Glands Limited

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

A handwritten signature in black ink, appearing to read "Gant Thh in up", which is a stylized or possibly misread version of the name David White.

David White (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Birmingham

13 September 2013

Profit and Loss Account

For the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	6,810,084	6,006,195
Change in stocks of finished goods and work in progress		421,219	319,868
Raw materials and consumables		(4,519,846)	(3,761,974)
Other external charges		(522,939)	(602,408)
Staff costs	3	(1,115,176)	(1,014,847)
Depreciation and amortisation		(30,026)	(27,174)
Operating profit	5	1,043,316	919,660
Interest receivable and similar income	6	302	99
Profit on ordinary activities before taxation		1,043,618	919,759
Tax on profit on ordinary activities	7	(251,211)	(223,932)
Profit for the financial year	14	792,407	695,827

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 8 to 16 form part of these financial statements

Balance Sheet

As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		129,014		136,123
Current assets					
Stocks	9	1,941,035		1,517,543	
Debtors	10	1,261,347		1,169,950	
Cash at bank and in hand		20,322		24,590	
		<u>3,222,704</u>		<u>2,712,083</u>	
Creditors amounts falling due within one year	11	<u>(1,544,696)</u>		<u>(1,428,153)</u>	
Net current assets			<u>1,678,008</u>		<u>1,283,930</u>
Total assets less current liabilities			<u>1,807,022</u>		<u>1,420,053</u>
Provisions for liabilities					
Deferred tax	12		<u>(14,229)</u>		<u>(19,667)</u>
Net assets			<u><u>1,792,793</u></u>		<u><u>1,400,386</u></u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>1,791,793</u>		<u>1,399,386</u>
Shareholders' funds	15		<u><u>1,792,793</u></u>		<u><u>1,400,386</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2013



Mr MI Lloyd
Director

The notes on pages 8 to 16 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied less returns exclusive of Value Added Tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following bases

Plant and machinery	-	Between 5 and 15 years
Fixtures, fittings, tooling and equipment	-	Between 4 and 10 years
Motor vehicles	-	Between 3 and 5 years

Additions to fixed assets during the accounting period are depreciated at an appropriate proportion of the annual rate attributable to that category of asset

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost in relation to finished goods and work in progress includes attributable production overheads

1.5 Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

1.6 Pensions

The company operates a defined contribution scheme covering certain of its permanent employees. Contributions to the defined contribution scheme are charged to the profit and loss account in the year they are incurred

1.7 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Any amounts receivable or payable at the balance sheet date are converted at the rate then ruling and any differences are taken to the profit and loss account

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies (continued)

18 Operating leases

Payments under operating leases are charged to revenue in the financial period in which they are incurred

19 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with IFRS 1

2. Turnover

The analysis of turnover by geographical area is as follows

	2012 £	2011 £
United Kingdom	1,872,543	1,738,956
Rest of Europe	2,459,741	1,679,006
North America	1,091,029	1,011,676
Middle East	651,783	734,360
Far East and Australia	692,104	834,191
Other	42,884	8,006
	<u>6,810,084</u>	<u>6,006,195</u>

Notes to the Financial Statements

For the year ended 31 December 2012

3. Staff costs

Staff costs including directors' remuneration were as follows

	2012	2011
	£	£
Wages and salaries	999,992	905,834
Social security costs	91,701	85,350
Other pension costs	23,483	23,663
	<u>1,115,176</u>	<u>1,014,847</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012	2011
	No	No
Management	6	6
Administration and sales	9	9
Production	32	29
	<u>47</u>	<u>44</u>

4. Directors' remuneration

	2012	2011
	£	£
Emoluments	<u>77,000</u>	<u>71,300</u>
Company pension contributions	<u>10,200</u>	<u>9,741</u>

During the year retirement benefits were accruing to one director (2011 - one) in respect of defined contribution pension schemes

The chairman is paid by other group companies and his emoluments are shown in the financial statements of those companies

Notes to the Financial Statements

For the year ended 31 December 2012

5. Operating profit

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	30,026	27,174
Auditor's remuneration	5,300	5,000
Operating lease rentals		
- plant and machinery	4,668	3,197
other operating leases	69,133	62,467
Difference on foreign exchange	6,969	(1,430)
	<u>115,116</u>	<u>97,312</u>

6. Interest receivable

	2012	2011
	£	£
Bank interest	113	99
Other interest receivable	189	-
	<u>302</u>	<u>99</u>

7. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax based on the adjusted profit for the year	256,649	242,807
Adjustments in respect of prior periods	-	(14,405)
Total current tax	<u>256,649</u>	<u>228,402</u>
Deferred tax (see note 12)		
(Origination and reversal of timing differences)	(5,438)	(4,470)
Tax on profit on ordinary activities	<u>251,211</u>	<u>223,932</u>

Notes to the Financial Statements

For the year ended 31 December 2012

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24% (2011 - 26%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,043,618</u>	<u>919,759</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 26%)	250,468	239,137
Effects of		
Expenses not deductible for tax purposes	445	688
Capital allowances less than depreciation	3,479	2,766
Adjustments to tax charge in respect of prior periods	-	(14,405)
Change in standard UK rate	5,210	4,521
Research and development relief	(2,953)	(4,305)
Current tax charge for the year (see note above)	<u>256,649</u>	<u>228,402</u>

Notes to the Financial Statements

For the year ended 31 December 2012

8. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings, tooling and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2012	185,734	142,908	15,657	344,299
Additions	13,829	9,088	-	22,917
At 31 December 2012	199,563	151,996	15,657	367,216
Depreciation				
At 1 January 2012	98,529	93,990	15,657	208,176
Charge for the year	16,204	13,822	-	30,026
At 31 December 2012	114,733	107,812	15,657	238,202
Net book value				
At 31 December 2012	84,830	44,184	-	129,014
At 31 December 2011	87,205	48,918	-	136,123

The company had no capital commitments at 31 December 2012 (2011 £nil)

9. Stocks

	2012 £	2011 £
Raw materials	33,794	31,521
Finished goods	1,907,241	1,486,022
	1,941,035	1,517,543

10. Debtors

	2012 £	2011 £
Trade debtors	1,154,632	1,054,026
Amounts owed by fellow subsidiaries	15,229	-
Other debtors	80,471	94,225
Prepayments and accrued income	11,015	21,699
	1,261,347	1,169,950

Notes to the Financial Statements

For the year ended 31 December 2012

11. Creditors:

Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	230,556	201,077
Amounts owed to parent	721,022	737,215
Amounts owed to fellow subsidiaries	361,683	277,851
Corporation tax	81,649	72,807
Social security and other taxes	24,746	23,309
Other creditors	2	600
Accruals and deferred income	125,038	115,294
	<u>1,544,696</u>	<u>1,428,153</u>

The ultimate parent company and a fellow subsidiary company have fixed and floating charges over the assets of the company

12. Deferred taxation

	2012	2011
	£	£
Liability at the beginning of year	19,667	24,137
Released during year	(5,438)	(4,470)
	<u>14,229</u>	<u>19,667</u>
At end of year	<u>14,229</u>	<u>19,667</u>

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>(14,229)</u>	<u>(19,667)</u>

13. Share capital

	2012	2011
	£	£
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Notes to the Financial Statements

For the year ended 31 December 2012

14. Reserves

	Profit and loss account £
At 1 January 2012	1,399,386
Profit for the year	792,407
Dividends Equity capital	(400,000)
	<hr/>
At 31 December 2012	1,791,793
	<hr/>

15. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	1,400,386	1,104,559
Profit for the financial year	792,407	695,827
Dividends (Note 16)	(400,000)	(400,000)
	<hr/>	<hr/>
Closing shareholders' funds	1,792,793	1,400,386
	<hr/>	<hr/>

16. Dividends

	2012 £	2011 £
Dividends paid on equity capital	400,000	400,000
	<hr/>	<hr/>

17. Pension commitments

The company operates a defined contribution pension scheme for which the liability is limited to the annual contributions payable. There were no contributions prepaid or outstanding at 31 December 2012 (2011 £nil)

Notes to the Financial Statements

For the year ended 31 December 2012

18. Operating lease commitments

Annual commitments under operating leases are as follows

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within 1 year	-	20,000
Between 2 and 5 years	-	55,800
	<u> </u>	<u> </u>

19. Related party transactions

The aggregate value of transactions made during the year in the normal course of business between the company and group undertakings, were as follows

	2012	2011
	£	£
Purchases of raw materials from fellow subsidiaries	2,511,779	1,664,891
Charges for management and property services provided by parent company	105,800	105,800
	<u> </u>	<u> </u>

Balances due from and to group undertakings are disclosed within the debtors and creditors notes above

20. Parent company

The ultimate parent company is Currie & Warner (Holdings) Limited, incorporated in Great Britain and registered in England and Wales

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH