

Rotadyne (U.K.) Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number 02739202

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Rotadyne (U.K.) Limited

Report and financial statements for the year ended 31 December 2012

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Directors

J R Hickey
E J Nykiel

Secretary and registered office

J R Hickey, Saxon House Factory B, Henson Way, Telford Way Industrial Estate, Kettering, Northamptonshire, NN16 8PX

Company number

02739202

Auditors

BDO LLP, Lockton House, Clarendon Road, Cambridge, CB2 8FH

Rotadyne (U.K.) Limited

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

The company's principal activity is the manufacture of rollers for the graphic arts and other industries.

Directors

The directors of the company during the year were.

J R Hickey
E J Nykiel

Directors' responsibilities

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 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.

Rotadyne (U.K.) Limited

**Report of the directors
for the year ended 31 December 2012 (continued)**

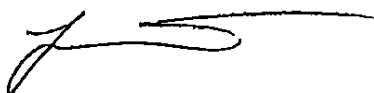
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



**J R Hickey
Director**

24 February 2014

Rotadyne (U.K.) Limited

Independent auditor's report

To the members of Rotadyne (U.K.) Limited

We have audited the financial statements of Rotadyne (U K) 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate

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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters 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

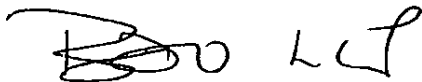
Rotadyne (U.K.) Limited

Independent auditor's report (*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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



*Gary Hanson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Cambridge
United Kingdom*

7 March 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Rotadyne (U.K.) Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	2,770,739	2,625,817
Cost of sales		1,997,595	1,534,315
Gross profit		773,144	1,091,502
Distribution costs		895,418	1,018,557
Administrative expenses		546,261	565,410
		(668,535)	(492,465)
Other operating income		18,000	18,000
Loss on ordinary activities before and after taxation for the financial year		(650,535)	(474,465)

The notes on pages 7 to 11 form part of these financial statements.

Rotadyne (U.K.) Limited

Balance sheet at 31 December 2012

Company number 02739202	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	6		143,323		103,273
Current assets					
Stocks	7	981,528		841,848	
Debtors	8	1,061,244		916,259	
Cash at bank and in hand		300		91,273	
		<u>2,043,070</u>		<u>1,849,178</u>	
Creditors, amounts falling due within one year	9	<u>676,871</u>		<u>577,650</u>	
Net current assets			<u>1,366,199</u>		<u>1,271,528</u>
Total assets less current liabilities			<u>1,509,522</u>		<u>1,374,801</u>
Creditors: amounts falling due after more than one year	10		<u>5,757,433</u>		<u>4,972,177</u>
			<u>(4,247,911)</u>		<u>(3,697,376)</u>
Capital and reserves					
Called up share capital	11		350,005		350,005
Share premium account	12		1		1
Profit and loss account	12		<u>(4,697,917)</u>		<u>(3,947,382)</u>
Shareholders' deficit			<u>(4,247,911)</u>		<u>(3,697,376)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of directors and authorised for issue on 24 February 2014.


R Hickey
Director

The notes on pages 7 to 11 form part of these financial statements

Rotadyne (U.K.) Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The following principal accounting policies have been applied

Going concern

The company reports net liabilities of £4,247,911 as at 31 December 2012. The directors expect that they will need the continued support of the parent company for a period of at least 12 months from the date of approval of these financial statements.

The directors have received a letter of support from the parent company which indicates the parent company's intention to support the company for the foreseeable future, notably by not expecting to seek repayment of the group balances owing outside of one year. The directors are also aware that the parent company has, after the balance sheet date, entered into a new loan and security agreement, and therefore believe that the parent company has the ability to provide the support the company needs.

Taking these circumstances into account, the directors consider that there is no substantial doubt as to the ability of the company to continue as a going concern and therefore believe that it remains appropriate to prepare the financial statements of the company on a going concern basis.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue is recognised when the risks and rewards of owning the goods have passed to the customer which is generally on delivery.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- Over the term of the lease
Plant and machinery	- 5-10 years
Fixtures and fittings	- 10 years
Computer equipment	- 3-5 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on an average cost basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Work in progress includes any directly attributable overheads. Where the company holds base stock those items are systematically written down over their expected useful lives.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Rotadyne (U.K.) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Leased assets

Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 26% (2011 - 22%)

3 Operating loss

	2012 £	2011 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	19,844	25,168
Loss on disposal of tangible fixed assets	1,488	-
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	15,250	13,000
Pension contributions - defined contribution scheme	-	1,239
	<hr/>	<hr/>

4 Directors' remuneration

No director received any emoluments from the company during the current year (2011 - £Nil) and were remunerated for their services by a fellow group undertaking.

5 Taxation on loss on ordinary activities

The company has a current tax charge for the year of £Nil (2011 - £Nil) calculated on the loss for the year before taxation.

As at 31 December 2012 the company had trading losses carried forward of approximately £5,126,000 (2011 - £4,713,300)

Rotadyne (U.K.) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

6 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2012	96,007	635,366	47,602	778,975
Additions	-	61,382	-	61,382
Disposals	-	(114,000)	(4,699)	(118,699)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	96,007	582,748	42,903	721,658
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2012	93,856	536,544	45,302	675,702
Provided for the year	2,151	17,166	527	19,844
Disposals	-	(114,000)	(3,211)	(117,211)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	96,007	439,710	42,618	578,335
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2012	-	143,038	285	143,323
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	2,151	98,822	2,300	103,273
	<hr/>	<hr/>	<hr/>	<hr/>

7 Stocks

	2012 £	2011 £
Raw materials	194,127	216,032
Work in progress	196,784	195,699
Finished goods	590,615	429,915
	<hr/>	<hr/>
	981,526	841,646
	<hr/>	<hr/>

Rotadyne (U.K.) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

8 Debtors

	2012 £	2011 £
Trade debtors	713,583	520,587
Amounts owed by group undertakings	287,044	350,089
Other debtors	60,617	45,583
	<u>1,061,244</u>	<u>916,259</u>

All amounts shown under debtors fall due for payment within one year

9 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank overdraft	10,183	-
Trade creditors	172,107	350,733
Amounts owed to group undertakings	412,972	141,566
Taxation and social security	26,605	51,849
Other creditors	55,004	33,502
	<u>676,871</u>	<u>577,650</u>

10 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	<u>5,757,433</u>	<u>4,972,177</u>

11 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
350,005 ordinary shares of £1 each	<u>350,005</u>	<u>350,005</u>

Rotadyne (U.K.) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

12 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2012	1	(3,947,382)
Loss for the year	-	(650,535)
	<hr/>	<hr/>
At 31 December 2012	1	(4,597,917)
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13 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2012 £	2011 £
Operating leases which expire		
Within one year	-	18,400
In two to five years	156,377	166,043
After five years	-	42,296
	<hr/>	<hr/>
	156,377	226,739
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14 Related party disclosures

The company has taken advantage of the exemption available under FRS 8 (Related Party Disclosures) from disclosing transactions with related parties that are part of the Rotation Dynamics Corporation group

15 Ultimate parent company

The directors regard Ideal Industries, a general partnership located in the United States of America as the ultimate holding entity

The immediate parent company is Rotadyne Dynamics Corporation, a company incorporated in the United States of America heads the only group in which results of this company are consolidated The consolidated accounts can be obtained from , 8140 Cass Avenue, Darien, Illinois 60561, USA