

Crane Composites Limited

Report and Financial Statements

For the year ended 31 December 2012

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REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E C Fast
A P Standen
T J Craney

SECRETARY

A P Standen

REGISTERED OFFICE

2 Pook Lane
Havant
Hampshire
PO9 2TH

BANKERS

Natwest Bank plc
Carlyle House
Carlyle Road
Cambridge
CB4 3DH

SOLICITORS

Dutton Gregory
Trussell House
23 St Peters Street
Winchester
SO23 8BT

AUDITOR AND CHARTERED ACCOUNTS

Deloitte LLP
St Albans, United Kingdom

DIRECTORS' REPORT (CONTINUED)

The directors present their report and the audited financial statements for the year ended 31 December 2012. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

Up to 28 September 2012, the principal activity of the company was that of the manufacture of plastic laminates. Post 28 September 2012, the principal activity of the company is that of a sales office for plastic laminates.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the year are presented on page 5. The company recorded turnover of £3,525,000 (2011: £4,839,000) for the year end and loss before taxation of £2,671,000 (2011: loss of £2,710,000). The loss for the year is as a result of the continuing lack of sales growth and continuing raw material price increases. As a result of this, the directors took the decision in June 2012 to close the manufacturing facility. Manufacturing ceased at the Alton plant on 28 September 2012. The company is continuing to act as a distribution and sales office, servicing its customers with product obtained from its parent company in the United States of America ("USA").

As a result of the decision to cease manufacturing, all but a single forklift of the remaining tangible fixed assets have been fully written down and disposed of. All costs incurred in the restructuring program are included in the current year profit and loss account within administrative expenses.

GOING CONCERN

In the opinion of the directors, the company is dependent on the financial support of its parent company, Crane Co Inc, to continue as a going concern. The Company has obtained a letter of support from Crane Co Inc that provides the Company with the intention that they will continue to support the Company to meet its obligations for not less than twelve months from the date of signing of these financial statements on the condition that the Company remains part of the Crane Composites Group and complies with policies and procedures of the Crane Composites Group.

DIRECTORS AND THEIR INTERESTS

The directors are mentioned on page 1. The directors served throughout the year and to the date of this report.

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution for the re-appointment of Deloitte LLP as auditor was accepted at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Andrew Standen
Director
15/4/ 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANE COMPOSITES LIMITED

We have audited the financial statements of Crane Composites Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 the 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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, 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.

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 take advantage of the small companies exemption in preparing the directors' report.



Helen Perkins (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

18 April 2013

CRANE COMPOSITES LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
TURNOVER	2	3,525	4,839
Cost of sales		<u>(3,688)</u>	<u>(5,132)</u>
Gross loss		(163)	(293)
Distribution costs		(285)	(366)
Administrative expenses			
- Normal		(621)	(785)
- Exceptional restructuring/impairment charge	3	<u>(1,602)</u>	<u>(1,266)</u>
Total administrative expenses		<u>(2,223)</u>	<u>(2,051)</u>
OPERATING LOSS	3	<u>(2,671)</u>	<u>(2,710)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,671)	(2,710)
Tax credit on loss on ordinary activities	5	<u>-</u>	<u>128</u>
RETAINED LOSS FOR THE FINANCIAL YEAR	13	<u><u>(2,671)</u></u>	<u><u>(2,582)</u></u>

All amounts derive from continuing operations

There have been no recognised gains and losses attributable to the shareholders other than the retained profit or loss shown above and, accordingly, no statement of total recognised gains and losses nor reconciliation of movements in shareholders' funds is presented

CRANE COMPOSITES LIMITED


BALANCE SHEET 31 December 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	6	-	-
Tangible assets	7	29	-
		<u>29</u>	<u>-</u>
CURRENT ASSETS			
Stocks	8	270	867
Debtors	9	332	736
Cash at bank and in hand		-	1
		<u>602</u>	<u>1,604</u>
CREDITORS: amounts falling due within one year	10	<u>(2,904)</u>	<u>(1,821)</u>
NET CURRENT LIABILITIES		<u>(2,302)</u>	<u>(217)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,273)</u>	<u>(217)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(615)</u>	<u>-</u>
NET LIABILITIES		<u>(2,888)</u>	<u>(217)</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Share premium account	13	3,834	3,834
Profit and loss account deficit	13	<u>(6,722)</u>	<u>(4,051)</u>
TOTAL SHAREHOLDERS' DEFICIT	13	<u>(2,888)</u>	<u>(217)</u>

These financial statements of Crane Composites Limited, registered number 04101125, were approved by the board of Directors and authorised for issue on 2013

Signed on behalf of the Board of Directors

Andrew Standen
Director


15/4/2013

NOTES TO THE ACCOUNTS
For the year ended 31 December 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year.

Accounting convention

The financial statements are prepared under the historical cost convention. As noted in the Directors Report on page 2 the financial statements are prepared on a going concern basis.

Going concern

In the opinion of the directors, the company is dependent on the financial support of its parent company, Crane Co Inc, to continue as a going concern. The Company has obtained a letter of support from Crane Co Inc that provides the Company support to meet its obligations for not less than twelve months from the date of signing of these financial statements on the condition that the Company remains part of the Crane Composites Group and complies with policies and procedures of the Crane Composites Group. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Goodwill and intangible fixed assets

Purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life, up to a maximum of 20 years with a full year's amortisation charge in the first year. The directors regard 20 years as a maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period. Provision is made for any impairment.

Patent costs are valued at cost on acquisition and are amortised in equal annual amounts over their estimated useful economic lives (20 years). Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation and provision for any impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and equipment	10-33% per annum
Leasehold improvements	20% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

1. ACCOUNTING POLICIES (CONTINUED)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The company operates a defined contribution pension scheme. The pension cost represents contributions payable by the company during the year, which are charged to the profit and loss account as incurred.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services within one class of business which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. Income is recognised as goods are despatched and this is when title passes.

	2012 £'000	2011 £'000
By geographical destination		
United Kingdom and the Republic of Ireland	2,530	3,575
Continental Europe	953	1,255
Other	42	9
	<u>3,525</u>	<u>4,839</u>

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

3. OPERATING LOSS

	2012 £'000	2011 £'000
Operating loss is stated after charging/(crediting):		
Depreciation of owned assets	4	65
Amortisation	-	115
Impairment charge		
- Intangible fixed assets	-	1,043
- Tangible fixed assets	177	223
Operating lease rentals		
- plant and machinery	-	4
- other	184	211
Fees payable to the company's auditor for the audit of the company's annual accounts	35	33
Loss on sale of fixed assets	7	-
Foreign exchange (gain)/loss	(2)	19
Exceptional costs (excluding impairment charge)	1,425	-
	<u>1,425</u>	<u>-</u>

Total exceptional costs of £1,602,000 (2011 £1,266,000) relate to the restructuring costs incurred as a result of the decision to cease production on 28 September 2012. These costs include impairment of tangible and intangible fixed assets of £177,000 (2011 £1,266,000).

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £'000	2011 £'000
Directors' remuneration		
Emoluments	92	73
Pension contributions	9	4
	<u>101</u>	<u>77</u>

During the year some of the directors were remunerated by Crane Inc. for their services to the company by other Crane companies. It is not practicable to split their remuneration between the various companies within the group. Further details of the remuneration paid by Crane Inc. will be disclosed in the financial statements of that group when published.

	2012 No.	2011 No.
Number of directors who are members of defined contribution pension scheme	<u>1</u>	<u>1</u>
Average number of persons employed (including directors)		
Production	15	15
Administration	14	21
	<u>29</u>	<u>36</u>

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2012 £'000	2011 £'000
Staff costs during the year (including directors)		
Wages and salaries	987	1,055
Redundancy costs	52	-
Social security costs	103	97
Pension costs	24	22
	<u>1,166</u>	<u>1,174</u>

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
Current taxation		
UK corporation tax credit for the year	-	-
Prior year adjustment	-	-
Prior year adjustment for group relief	-	(5)
Current tax	-	(5)
Deferred taxation		
Origination and reversal of timing differences (see note 11)	-	(114)
Effect of change in tax rate	-	(9)
Tax credit on loss on ordinary activities	<u>-</u>	<u>(128)</u>

The tax assessed for the year is lower (2010 lower) than that resulting from applying the standard 26.5% rate of corporation tax in the United Kingdom (2010 28%). The differences are explained below

	2012 £'000	2011 £'000
Loss before tax	(2,671)	(2,710)
Standard rate tax on loss before tax	(655)	(718)
Less effect of		
Amortisation	-	177
Depreciation in excess of capital allowances	25	194
Temporary timing differences	(2)	1
Group relief surrendered and not paid for	632	346
Prior year adjustment	-	(5)
Current tax credit for year	<u>-</u>	<u>(5)</u>

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

Factors that may affect future tax charges

In the UK, legislation was introduced in March 2012 to reduce the main rate of UK corporation tax from 25% to 24% from 1 April 2012. This gives an effective tax rate of 24.5% for current tax for the year ended 31 December 2012. Legislation was also passed in July 2012 to reduce the main rate of UK corporation tax from 24% to 23% from 1 April 2013. Hence the tax rate of 23% has been applied in the calculation of deferred tax.

The UK Government has announced that it intends to introduce further reductions to the main tax rate, with the rate falling to 21% from 1 April 2014 and 20% from 1 April 2015. These further reductions to the tax rate have not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements.

6. INTANGIBLE FIXED ASSETS

	Patents £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2012 and 31 December 2012	975	1,323	2,298
Accumulated amortisation			
At 1 January 2012 and 31 December 2012	975	1,323	2,298
Net book value			
At 31 December 2012 and 31 December 2011	-	-	-

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2012	18	1,343	1,361
Additions	-	210	210
Disposals	(18)	(1,524)	(1,542)
	-	29	29
Accumulated depreciation			
At 1 January 2012	18	1,343	1,361
Charge for the year	-	4	4
Disposals	(18)	(1,524)	(1,542)
Impairment charge (see note 3)	-	177	177
At 31 December 2012	-	-	-
Net book value			
At 31 December 2012	-	29	29
At 31 December 2011	-	-	-

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

8. STOCKS

	2012	2011
	£'000	£'000
Raw materials	-	657
Finished goods and goods for resale	270	210
	<u>270</u>	<u>867</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

9. DEBTORS

	2012	2011
	£'000	£'000
Trade debtors	285	473
Amounts owed by group undertakings	3	4
Corporation tax debtor	11	10
Other taxes receivable	12	90
Prepayments and accrued income	21	159
	<u>332</u>	<u>736</u>

All amounts are due within one year

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£'000	£'000
Bank loans and overdrafts	1	-
Trade creditors	36	483
Amounts owed to group undertakings	2,745	1,230
Other taxes and social security	55	32
Accruals and deferred income	67	76
	<u>2,904</u>	<u>1,821</u>

Amounts owed to group undertakings are due within one year or on demand and are interest free

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Restructuring provision £'000
Movement for the year:	
Balance as at 1 January 2012	-
Credited to profit and loss account (see note 3 and 5)	1,602
Utilisation of provision	(987)
	<hr/>
Balance at 31 December 2012	615
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12. SHARE CAPITAL

	2012 £	2011 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

13. RESERVES

	Share premium account £'000	Profit and loss account deficit £'000	Total £'000
Balance at 1 January 2012	3,834	(4,051)	(217)
Loss for the year	-	(2,671)	(2,671)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012	3,834	(6,722)	(2,888)
	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2012

14. FINANCIAL COMMITMENTS

At 31 December 2011 the company was committed to making the following annual payments during the next year in respect of operating leases

	2012 Land and buildings £'000	2012 Other £'000	2011 Land and buildings £'000	2011 Other £'000
Leases which expire				
Within one year	116	-	-	-
Within two to five years	-	-	174	-
	<u>116</u>	<u>-</u>	<u>174</u>	<u>-</u>

15. PENSION SCHEME

The company operates a defined contribution pension scheme for all employees and contributions are charged to the profit and loss account as they arise. The contributions paid in the year amounted to £24,311 (2011 £21,928). There were £nil outstanding contributions payable at the year end (2011 £nil).

16. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption contained within FRS 8 not to disclose transactions with group companies as it is a 100% subsidiary of Crane Inc, whose consolidated accounts are publicly available.

17. CASH FLOW STATEMENT

The company has taken advantage of the exemption contained within FRS 1 not to prepare a cash flow statement as it is a 100% subsidiary of Crane Inc, whose consolidated financial statements are publicly available.

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party, which heads the smallest and largest group for which consolidated accounts are produced, is Crane Co Inc, which is incorporated in the USA. Copies of the consolidated financial statements of the ultimate parent company can be obtained from Crane Co, Executive offices, 100 First Stamford Place, Stamford, Connecticut, CT 06902, USA.