

Fasteq Limited

**Directors' report and financial statements
4 month period ended 31st December 2012**

Registered number SC206873

WEDNESDAY



S2HN8XVK

SCT

25/09/2013

#153

COMPANIES HOUSE

Fasteq Limited

Directors' report and financial statements

<i>Contents</i>	<i>Pages</i>
Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditor's report to the members of Fasteq Limited	4
Profit and Loss Account	5
Balance Sheet	6
Notes	7-15

Fasteq Limited

Directors' report

The directors present their report with the financial statements of the company for the four month period ended 31 December 2012.

Principal activity

The principal activity of the company in the year under review was that of the management and distribution of fasteners and turned parts.

Business review

The company is exposed to risks associated with the markets in which it operates and attributable to the wider social and economic environment. The company's performance could be adversely affected if conditions in the market place deteriorate. Such deteriorations could be caused by factors such as terrorist action or increasing oil prices. The company also faces risks specific to its trading activities, such as the potential loss of major customers or suppliers. The company continues to maximise service levels and conduct business with integrity in order to minimise such risks. The company continued to trade satisfactorily during the four month period ended 31 December 2012 and with a strong financial position we look forward to another rewarding year. The entire issued share capital was purchased by Haas Group International SCM Limited on 26 October 2012.

Key financial performance indicators include the monitoring of turnover and working capital.

	4 month period ended 31 December 2012	Year ended 31 August 2012	
Financial			
Reduction in turnover	(2.0%)	(2.0%)	Decrease in turnover/prior year turnover
Sales per employee	104,993	393,870	Turnover/average number of employees
Debtors days	45	45	(Average trade debtors/turnover) x 365

Events since the end of the year

Information relating to events since the end of the year is given in at note 16.

Change of accounting reference date

The company changed its accounting reference date during the period and as a result these financial statements cover the period to 31 December 2012.

Proposed dividend

The directors do not recommend payment of a dividend.

Directors

The directors shown below have held office during the whole of the period from 1 September 2012 to the date of this report.

J J Ward
M Connelly

Other changes in directors holding office are as follows:

M Wilson (resigned 26 October 2012)
R Haig (resigned 26 October 2012)
J Grant (resigned 26 October 2012)
T J Fortin (appointed 26 October 2012)
J E Gutknecht (appointed 26 October 2012)
S E Greer (appointed 26 October 2012)

Directors' report *(continued)*

Political and charitable contributions

The company made no political or charitable donations in the four month period ended 31 December 2012.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board



M Connelly
Director

9 Mill Road Industrial Estate
Linlithgow
West Lothian
EH49 7SF

24 September 2013

Fasteq Limited

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 (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent; 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.

Independent auditor's report to the members of Fasteq Limited

We have audited the financial statements of Fasteq Limited for the four month period ended 31 December 2012 set out on pages 5 to 15. 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 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 set out on page 3, 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 (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 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 profit for the period 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 period 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



Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

24th September 2013

Fasteq Limited

Profit and Loss Account

For the four month period ended 31 December 2012

	<i>Note</i>	4 month period ended 31 December 2012 £	Year ended 31 August 2012 £
Turnover		1,469,908	5,514,177
Cost of sales		(817,608)	(2,515,418)
		<hr/>	<hr/>
Gross profit		652,300	2,998,759
Administrative expenses		(336,216)	(864,090)
		<hr/>	<hr/>
Operating profit	2	316,084	2,134,669
Interest receivable and similar income		-	1,036
Interest payable and similar charges		-	(4,515)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	316,084	2,131,190
Tax on profit on ordinary activities	5	(75,617)	(537,552)
		<hr/>	<hr/>
Profit for the financial year		240,467	1,593,638
		<hr/>	<hr/>

The results shown in the profit and loss account derive wholly from continuing operations.

Other than the profit for the four month period ended 31 December 2012, the company had no recognised gains or losses in either the current or preceding period.

Fasteq Limited

Balance Sheet

at 31 December 2012

	Note	31 December 2012		31 August 2012	
		£	£	£	£
Fixed assets					
Intangible assets	7	10,000		12,000	
Tangible assets	8	61,529		60,622	
			71,529		72,622
Current assets					
Stocks		1,005,750		924,873	
Debtors	9	1,752,912		1,910,854	
Cash at bank and in hand		1,605,025		938,221	
		4,363,687		3,773,948	
Creditors: amounts falling due within one year	10	(1,323,749)		(973,094)	
Net current assets			3,039,938		2,800,854
Total assets less current liabilities			3,111,467		2,873,476
Provisions for liabilities	11	(12,073)		(14,549)	
Net assets			3,099,394		2,858,927
Capital and reserves					
Called up share capital	12	186,000		186,000	
Profit and loss account	13	2,913,394		2,672,927	
Shareholders' funds	13	3,099,394		2,858,927	

These financial statements were approved by the board of directors on 23rd September 2013 and were signed on its behalf by:



JJ Ward
Director

Company registered number: Registered number SC206873

Fasteq Limited

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, except as noted below.

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate as no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company's business activities, together with the factors likely to affect its future development and performance, are set out in the Business Review section of the directors' report on page 1. The directors have considered the company's cash requirement for the next twelve months and are of the opinion that the company has sufficient resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on the factors described above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard No 1 because it is a wholly owned subsidiary of Haas Group International SCM Limited and the ultimate parent undertaking is Haas Group International Inc, which prepares consolidated financial statements, including a cash flow statement.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	– 25% on cost
Short leasehold property	– 10% on cost
Fixtures and fittings	– 20% on cost
Motor vehicles	– 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charge for taxation is based on the profit/loss 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 FRS 19.

Fasteq Limited

Notes (continued)

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 Notes to the profit and loss account

	4 month period ended 31 December 2012 £	Year ended 31 August 2012 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation – owned assets	8,978	41,743
Profit on disposal of fixed assets	-	(21,789)
Goodwill amortisation	2,000	6,000
Directors' remuneration	66,867	177,930
Operating lease charges	15,000	36,250
	<hr/>	<hr/>
<i>Auditor's remuneration:</i>		
	4 month period ended 31 December 2012 £	Year ended 31 August 2012 £
Audit of these financial statements	5,500	3,400
	<hr/>	<hr/>

Fasteq Limited

Notes (continued)

3 Remuneration of directors

	4 month period ended 31 December 2012	Year ended 31 August 2012
Directors' emoluments	66,867	177,930

	Number of directors	
	4 month period ended 31 December 2012	Year ended 31 August 2012

Retirement benefits are accruing to the following number of directors under:

Money purchase schemes	2	2
------------------------	---	---

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	4 month period ended 31 December 2012	Year ended 31 August 2012
Sales, administration and distribution	14	14

The aggregate payroll costs of these persons were as follows:

	4 month period ended 31 December 2012	Year ended 31 August 2012
Wages and salaries	144,130	417,347
Social security costs	57,715	41,745
	201,845	459,092

Fasteq Limited

Notes (continued)

5 Taxation

Analysis of charge in period

	4 month period ended 31 December 2012 £	£	Year ended 31 August 2012 £	£
<i>UK corporation tax</i>				
Current tax on income for the period		78,093		543,773
Total current tax		78,093		543,773
<i>Deferred tax (see note 11)</i>				
Origination/reversal of timing differences	(1,928)		(6,221)	
Adjustment in respect of previous years	(548)		-	
Total deferred tax		(2,476)		(6,221)
Tax on profit on ordinary activities		75,617		537,552

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (31 August 2012: higher) than the standard rate of corporation tax in the UK (24%, 31 August 2012: 25.2%). The differences are explained below.

	4 month period ended 31 December 2012 £	Year ended 31 August 2012 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	316,084	2,131,190
Current tax at 24% (31 August 2012: 25.2%)	75,860	537,060
<i>Effects of:</i>		
Expenses not deductible for tax purposes	221	3,167
Depreciation for period in excess of capital allowances	2,012	3,546
Total current tax charge (see above)	78,093	543,773

Fasteq Limited

Notes (continued)

5 Taxation (continued)

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability at 31 December 2012 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date).

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's deferred liability accordingly.

6 Dividends

	4 month period ended 31 December 2012 £	Year ended 31 August 2012 £
Ordinary shares of £1 each		
Interim dividends	-	49,881

7 Intangible fixed assets

	Goodwill £
Cost	
At beginning and end of period	30,000
Amortisation	
At beginning of period	18,000
Charged in period	2,000
At end of period	20,000
Net book value	
At 31 December 2012	10,000
At 31 August 2012	12,000

The directors consider each acquisition separately for the purpose of delivering the amortisation period of any goodwill that arises. Goodwill is being written off over 5 years, representing its estimated useful life.

Fasteq Limited

Notes (continued)

8 Tangible fixed assets

	Short leasehold property	Fixtures, equipment and computers	Motor vehicles	Total
	£	£	£	£
Cost				
At beginning of period	20,000	188,251	10,096	218,347
Additions	-	9,885	-	9,885
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	20,000	198,136	10,096	228,232
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of period	4,000	148,677	5,048	157,725
Charge for period	667	7,470	841	8,978
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	4,667	156,147	5,889	166,703
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2012	15,333	41,989	4,207	61,529
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	16,000	39,574	5,048	60,622
	<hr/>	<hr/>	<hr/>	<hr/>

9 Debtors

	31 December 2012 £	31 August 2012 £
Trade debtors	735,738	909,700
Amounts due from group undertakings	705,339	-
Prepayments and accrued income	141,847	50,826
Other debtors	169,988	950,328
	<hr/>	<hr/>
	1,752,912	1,910,854
	<hr/>	<hr/>

Fasteq Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	31 December 2012 £	31 August 2012 £
Trade creditors	464,970	313,779
Amounts owed to parent and fellow subsidiary undertakings	41,205	-
Taxation and social security	767,585	651,341
Accruals and deferred income	48,642	7,974
Other creditors	1,347	-
	<u>1,323,749</u>	<u>973,094</u>

Taxation and social security comprise:

	31 December 2012 £	31 August 2012 £
Corporation tax payable	621,866	543,774
Other taxes and social security	145,719	107,567
	<u>767,585</u>	<u>651,341</u>

11 Provisions for liabilities

	31 December 2012 £	31 August 2012 £
Deferred tax	<u>12,073</u>	<u>14,549</u>
		Deferred Tax £
Balance at beginning of period		14,549
Prior year adjustment		(548)
Credit for the period		(1,928)
Balance at end of period		<u>12,073</u>

Fasteq Limited

Notes (continued)

12 Called up share capital

	31 December 2012 £	31 August 2012 £
<i>Allotted, issued and fully paid</i>		
186,000 Ordinary shares of £1 each	186,000	186,000

13 Reserves

	Share capital £	Profit and loss accounts £	Total £
At beginning of period	186,000	2,672,927	2,858,927
Profit for the period	-	240,467	240,467
At end of period	186,000	2,913,394	3,099,394

14 Operating lease commitments

The following operating lease payments are committed to be paid within one year:

	31 December 2012 £	31 August 2012 £
Expiring:		
Between one and five years	45,000	40,000

Fasteq Limited

Notes (continued)

15 Related party disclosures

During the four month period ended 31 December 2012 the company paid rent of £15,000 to Fasteq Pension Scheme (*year ended 31 August 2012: £36,250*). At 31 December 2012 Fasteq Pension Scheme owed the company £50,000.

The following loans to directors subsisted during the four month period ended 31 December 2012 and year ended 31 August 2012.

	Balance outstanding at beginning of period 1 September 2012 £	Amounts repaid £	Balance outstanding at end of period 31 December 2012 £
JJ Ward	265,137	(265,137)	-
M Connelly	440,202	(440,202)	-
M Wilson	15,000	(15,000)	-
R Haig	60,000	(60,000)	-
	<hr/> 780,339 <hr/>	<hr/> (780,339) <hr/>	<hr/> - <hr/>

16 Post balance sheet events

The trade, including all assets and liabilities, was transferred to the parent company, Haas Group International SCM Limited, on 1 January 2013.

17 Ultimate controlling party and parent Company of a larger group

Fasteq Limited is a wholly owned subsidiary of Haas Group International Inc, a company incorporated in the USA. Its immediate parent undertaking is Haas Group International SCM Limited, a company incorporated in the United Kingdom. The results of the Company are included in the consolidated accounts of Haas Group International Inc, which are available to the public at that company's registered office at 1475 Phoenixville Pike, West Chester, PA 19380, USA.