

# Husky Injection Molding Systems (UK) Limited

## Report and Financial Statements

31 July 2002



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# Husky Injection Molding Systems (UK) Limited

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Registered No: 2837366

## **Directors**

D J Cook  
J S Jacques  
T Soul

## **Secretary**

T Soul

## **Auditors**

Ernst & Young LLP  
One Colmore Row  
Birmingham  
B3 2DB

## **Registered office**

Siskin Drive  
Middlemarsh Business Park  
Coventry  
CV3 4FJ

## Directors' report

The directors present their report and financial statements for the year ended 31 July 2002.

### Results and dividends

The profit for the year, after taxation, amounted to £137,006. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The company commenced trading in October 1998, providing services to the plastic injection moulding industry.

The company assists Husky Injection Molding Systems SA, its immediate parent undertaking, in the selling and servicing of its products. It operates a technical centre that provides training services and allows customers to test their moulds and resins using products manufactured by the Husky Group. The company *will continue to provide these high quality services into the future.*

### Directors

The directors who served the company during the year were as follows:

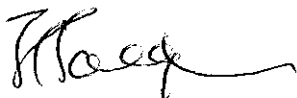
D J Cook  
J S Jacques  
T Soul

There are no directors' interests requiring disclosure under the Companies Act 1985.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



J S Jacques  
Director  
15 August 2003

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 auditors' report**

### **to the members of Husky Injection Molding Systems (UK) Limited**

We have audited the company's financial statements for the year ended 31 July 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

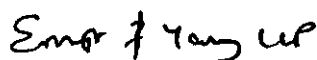
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Birmingham

18 August 2003

## Profit and loss account

for the year ended 31 July 2002

	Notes	2002 £	2001 £
<b>Turnover</b>	2	2,134,048	2,586,865
Cost of sales		47,604	56,837
<b>Gross profit</b>		2,086,444	2,530,028
Distribution costs		345,105	427,977
Administrative expenses		1,547,335	1,867,407
<b>Operating profit</b>	3	194,004	234,644
Bank interest receivable	6	–	526
<b>Profit on ordinary activities before taxation</b>		194,004	235,170
Tax on profit on ordinary activities	7	56,998	83,021
<b>Profit retained for the financial year</b>		137,006	152,149

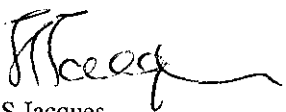
## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £137,006 attributable to the shareholders for the year ended 31 July 2002 (2001 - profit of £152,149).

## Balance sheet

at 31 July 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	8	5,055,374	5,385,312
<b>Current assets</b>			
Debtors	9	74,682	51,539
Cash in hand		192	188
		74,874	51,727
<b>Creditors: amounts falling due within one year</b>	10	4,327,305	4,786,441
<b>Net current liabilities</b>		(4,252,431)	(4,734,714)
<b>Total assets less current liabilities</b>		802,943	650,598
<b>Provisions for liabilities and charges</b>			
Deferred taxation	7	190,613	175,274
		612,330	475,324
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Profit and loss account	14	562,330	425,324
<b>Equity shareholders' funds</b>	14	612,330	475,324

  
 J S Jacques  
 Director  
 15 August 2003

## Notes to the financial statements

at 31 July 2002

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention.

#### **Fundamental accounting concept**

The company is dependant on continuing finance being made available by its parent company to enable it to continue operating and to meet liabilities as they fall due.

The parent company has agreed to provide sufficient funds to the company for these purposes; it has also agreed not to recall the amounts advanced to the company until all other creditors have been met. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold Buildings	-	over 25 years
Computer Equipment	-	over 3 years
Plant & Machinery	-	over 10 years
Fixtures & Fittings	-	over 10 years
Motor Vehicles	-	over 3 years
Office Equipment	-	over 5 years

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.



## Notes to the financial statements

at 31 July 2002

### 1. Accounting policies (continued)

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### **Operating lease agreements**

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

#### **Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged in the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and to Husky Injection Molding Systems SA, its immediate parent undertaking. Turnover is attributable to one continuing activity, the supply and technical support for injection moulding machines.

An analysis of turnover by geographical market is given below:

	2002 £	2001 £
Luxembourg	<u>2,134,048</u>	<u>2,586,865</u>

### 3. Operating profit

This is stated after charging/(crediting):

	2002 £	2001 £
Auditors' remuneration - audit services	4,800	4,600
- non-audit services	4,500	4,400
	<u>9,300</u>	<u>9,000</u>
Depreciation of owned fixed assets	<u>370,899</u>	<u>401,112</u>
Profit on disposal of fixed assets	(5,000)	-
Operating lease rentals - plant and machinery	<u>17,172</u>	<u>-</u>

## Notes to the financial statements

at 31 July 2002

### 4. Staff costs

	2002 £	2001 £
Wages and salaries	778,968	915,498
Social security costs	89,645	82,968
Other pension costs	66,274	56,981
	<u>934,887</u>	<u>1,055,447</u>

The monthly average number of employees during the year was as follows:

	2002 No.	2001 No.
Administration	2	2
Sales and distribution service	18	24
	<u>20</u>	<u>26</u>

### 5. Directors' emoluments

	2002 £	2001 £
Emoluments	<u>130,367</u>	<u>115,000</u>
Value of company pension contributions to money purchase schemes	<u>6,000</u>	<u>5,600</u>

	2002 No.	2001 No.
Members of money purchase pension schemes	<u>1</u>	<u>1</u>

### 6. Interest receivable

	2002 £	2001 £
Bank interest receivable	<u>—</u>	<u>526</u>

## Notes to the financial statements

at 31 July 2002

### 7. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2002 £	2001 £
<i>Current tax:</i>		
UK corporation tax	44,125	45,995
Tax (over)/under provided in previous years	(2,466)	2,321
Total current tax (note 7(b))	<u>41,659</u>	<u>48,316</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	15,339	34,705
Tax on profit on ordinary activities	<u>56,998</u>	<u>83,021</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>194,004</u>	<u>235,170</u>
Profit on ordinary activities before taxation by rate of tax	58,201	70,551
Expenses not deductible for tax purposes	1,263	7,262
Capital allowances in excess of depreciation	(15,339)	(32,149)
Other timing differences	-	1,315
Adjustment in respect of previous periods	(2,466)	2,321
Others	-	(984)
Total current tax (note 7(a))	<u>41,659</u>	<u>48,316</u>

#### (c) Deferred tax

	2002 £	2001 £
Capital allowances in advance of depreciation	(193,037)	(177,698)
Other timing differences	2,424	2,424
Provision for deferred taxation	<u>(190,613)</u>	<u>(175,274)</u>
		£
At 1 August 2001		(175,274)
Profit and Loss Account movement arising during the year		(15,339)
At 31 July 2002		<u>(190,613)</u>

# Notes to the financial statements

at 31 July 2002

## 8. Tangible fixed assets

	<i>Freehold Property</i> £	<i>Plant &amp; Machinery</i> £	<i>Fixtures &amp; Fittings</i> £	<i>Motor Vehicles</i> £	<i>Total</i> £
Cost:					
At 1 August 2001	5,049,504	435,122	579,175	295,115	6,358,916
Additions	–	3,450	7,423	29,511	40,384
Disposals	–	–	–	(15,213)	(15,213)
At 31 July 2002	<u>5,049,504</u>	<u>438,572</u>	<u>586,598</u>	<u>309,413</u>	<u>6,384,087</u>
Depreciation:					
At 1 August 2001	445,901	112,749	248,949	166,005	973,604
Provided during the year	168,181	43,685	84,018	75,015	370,899
Disposals	–	–	–	(15,790)	(15,790)
At 31 July 2002	<u>614,082</u>	<u>156,434</u>	<u>332,967</u>	<u>225,230</u>	<u>1,328,713</u>
Net book value:					
At 31 July 2002	<u>4,435,422</u>	<u>282,138</u>	<u>253,631</u>	<u>84,183</u>	<u>5,055,374</u>
At 1 August 2001	<u>4,603,603</u>	<u>322,373</u>	<u>330,226</u>	<u>129,110</u>	<u>5,385,312</u>

Included in freehold property is land at £844,981 which is not depreciated.

## 9. Debtors

	<i>2002</i> £	<i>2001</i> £
Other debtors	24,786	32,633
Prepayments and accrued income	49,896	18,906
	<u>74,682</u>	<u>51,539</u>

## 10. Creditors: amounts falling due within one year

	<i>2002</i> £	<i>2001</i> £
Bank loans and overdrafts	8,434	14,856
Trade creditors	19,526	77,098
Amounts owed to group undertakings	3,969,005	4,422,314
Corporation tax	21,125	48,411
Other taxation and social security	116,087	21,303
Accruals and deferred income	193,128	202,459
	<u>4,327,305</u>	<u>4,786,441</u>

## Notes to the financial statements

at 31 July 2002

### 11. Commitments under operating leases

At 31 July 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Assets Other Than Land and buildings</i>	
	2002	2001
	£	£
Operating leases which expire:		
Within one year	<u>17,635</u>	<u>-</u>

### 12. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 paragraph 3 not to disclose details of transactions with other group companies.

### 13. Share capital

	2002	Authorised 2001
	£	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

	<i>Allotted, called up and fully paid</i>	
	2002	2001
	No.	No.
	£	£
Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

### 14. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
At 1 August 2000	50,000	273,175	323,175
Profit for the year	-	152,149	152,149
At 31 July 2001	50,000	425,324	475,324
Profit for the year	-	137,006	137,006
At 31 July 2002	<u>50,000</u>	<u>562,330</u>	<u>612,330</u>

### 15. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2001 - £1,658).

## Notes to the financial statements

at 31 July 2002

### 16. Ultimate parent company

The immediate parent undertaking is Husky Injection Molding Systems SA which is registered in Luxembourg. The company's ultimate holding company is Husky Injection Molding Systems Limited, a company registered in Canada. It has included the company in its group accounts. Copies of the accounts of Husky Injection Molding Systems Limited may be obtained from

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