

Financial Statements

Husky Injection Molding Systems (UK) Limited

For the Year Ended 31 December 2012



Registered number: 02837366

Company Information

Company number	02837366
Registered office	First Floor, 1 Lewis Court Thorpe Way Grove Park ENDERBY Leicester LE19 1SD
Directors	B Wouters H Corbellari
Company secretary	H Corbellari
Auditor	Ernst & Young LLP 1 Colmore Square BIRMINGHAM B4 6HQ

Husky Injection Molding Systems (UK) Limited

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Husky Injection Molding Systems (UK) Limited

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 activities and business review

The principal activity of the company during the year was the supply of injection molding equipment and services to the plastics industry

Husky International Ltd, together with its subsidiaries, is a global provider of highly engineered manufacturing systems and services for the plastics injection molding equipment industry, serving customers in more than 100 countries through its global sales and service network. The company designs and manufactures complete system solutions comprising of injection molding machines, molds, hot runners, temperature controllers and auxiliary equipment. The company's primary manufacturing facilities are located in Canada, China, the United States and Luxembourg. The UK operation is a Sales and Service operation to meet the commercial and technical requirements of the customer base in the UK & Ireland.

The UK operation continues to operate with stable external charges and commission revenue. During the year, in August 2012, the UK office has relocated to reduce its operating costs.

Going concern

The directors believe it is appropriate to prepare the accounts on a going concern basis as they have received written confirmation from the immediate parent undertaking that they will assist Husky Injection Molding Systems (UK) Limited in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities, for a period of at least 12 months from the signing of these financial statements. The directors have gained assurance that the parent company is in a position to provide this support if required.

Results and dividends

The profit for the year, after taxation, amounted to £73,228 (2011 - £99,731). The directors have not recommended payment of a dividend.

Financial risk management objectives and policies

Interest rate risk

The company finances its operations using inter-company financial support. The UK company is not exposed to any significant interest rate risk however the parent company is and that risk is managed at the group level.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company financing.

Currency risk

The company is exposed to transaction and translation foreign exchange risk. Foreign currency transactions are undertaken as required when invoices are raised in foreign currency.

Directors' Report

For the Year Ended 31 December 2012

Directors

The directors who served during the year were

S Fernandes (resigned 26 October 2012)
M McKendry (resigned 28 September 2012)
S Patus (resigned 28 September 2012)
B Wouters (appointed 28 September 2012)
H Corbellari (appointed 28 September 2012)

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 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.

Provision of information to auditor

Each of the persons who is a director 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Husky Injection Molding Systems (UK) Limited

Directors' Report

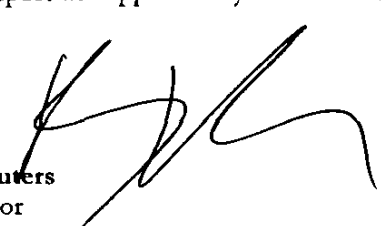
For the Year Ended 31 December 2012

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

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



B Wouters
Director

Date

20/9/2013

Company number 02837366

Independent Auditor's Report to the Members of Husky Injection Molding Systems (UK) Limited

We have audited the financial statements of Husky Injection Molding Systems (UK) 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 set out on page 2, 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 Directors' 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 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 Husky Injection Molding Systems (UK) 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

Ernst & Young LLP

Helen Hemming (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, *Birmingham*

Date *20 September 2013*.

Husky Injection Molding Systems (UK) Limited

Profit and Loss Account

For the Year Ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	1,508,454	1,569,715
Other external charges		(518,814)	(489,684)
Staff costs	3	(845,424)	(929,578)
Depreciation and amortisation		(7,085)	(7,748)
Operating profit	4	137,131	142,705
Interest payable and similar charges	5	-	(3)
Disposal of tangible assets		(21,839)	-
Profit on ordinary activities before taxation		115,292	142,702
Tax on profit on ordinary activities	6	(42,064)	(42,971)
Profit for the financial year	14	73,228	99,731

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 14 form part of these financial statements

Balance Sheet

As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		25,590		35,175
Current assets					
Debtors	8	62,753		81,965	
Cash at bank and in hand		6,937		6,771	
		<u>69,690</u>		<u>88,736</u>	
Creditors. amounts falling due within one year	9	<u>(406,228)</u>		<u>(508,087)</u>	
Net current liabilities			<u>(336,538)</u>		<u>(419,351)</u>
Net liabilities			<u>(310,948)</u>		<u>(384,176)</u>
Capital and reserves					
Called up share capital	13		50,000		50,000
Profit and loss account	14		<u>(360,948)</u>		<u>(434,176)</u>
Shareholders' deficit	15		<u>(310,948)</u>		<u>(384,176)</u>

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

B Wouters
Director

Date

20/3/2013

The notes on pages 8 to 14 form part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2012

1. Accounting Policies

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 Fundamental accounting concept

The directors believe it is appropriate to prepare the accounts on a going concern basis as they have received written confirmation from the immediate parent undertaking that they will assist Husky Injection Molding Systems (UK) Limited in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities, for a period of at least 12 months from the signing of these financial statements. The directors have gained assurance that the parent company is in a position to provide this support if required.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover represents commission amounts invoiced to Husky Injection Molding Systems SA, the immediate parent undertaking. Turnover is attributable to one continuing activity, the supply of and technical support for injection molding machines.

1.5 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, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Over 5 and 10 years
Fixtures, fittings & equipment	-	Over 3 to 10 years

1.6 Impairment

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the Financial Statements

For the Year Ended 31 December 2012

1. Accounting Policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.10 Pensions

The company contributes to personal pension plans for the benefit of employees. The annual contributions payable are charged to the Profit and Loss Account

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012	2011
	£	£
Europe	<u>1,508,454</u>	<u>1,569,715</u>

Notes to the Financial Statements

For the Year Ended 31 December 2012

3. Staff costs

Staff costs were as follows

	2012	2011
	£	£
Wages and salaries	710,545	789,327
Social security costs	92,023	98,590
Other pension costs	42,856	41,661
	<u>845,424</u>	<u>929,578</u>

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

	2012	2011
	No.	No.
Sales and distribution service	11	11
Administration	1	1
	<u>12</u>	<u>12</u>

Directors' emoluments for all the directors have been borne by another group company. The directors are also directors or officers of a number of the companies within the Husky group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their inconsequential services to the Company for the years ended 31 December 2012 and 31 December 2011.

4. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	7,085	7,748
Auditor's remuneration	7,100	6,750
Operating lease rentals		
- motor vehicles	58,563	58,756
- other operating leases	45,705	45,238
Difference on foreign exchange	-	24
Loss on disposal of tangible fixed assets	21,839	-
	<u>21,839</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 December 2012

5. Interest payable

	2012	2011
	£	£
Other interest payable	-	3

6. Taxation on ordinary activities

	2012	2011
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	41,064	41,831
Adjustments in respect of prior periods	-	640
Total current tax	41,064	42,471
Deferred tax		
Origination and reversal of timing differences	1,000	600
Other	-	(100)
Total deferred tax (see note 12)	1,000	500
Tax on profit on ordinary activities	42,064	42,971

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	115,292	142,702
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	28,247	37,816
Effects of:		
Expenses not deductible for tax purposes	10,136	4,682
Capital allowances for year in excess of depreciation	2,223	(672)
Adjustments to tax charge in respect of prior periods	-	640
Other timing differences leading to an increase in taxation	458	5
Current tax charge for the year (see note on previous page)	41,064	42,471

Notes to the Financial Statements

For the Year Ended 31 December 2012

7. Tangible fixed assets

	Leasehold property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2012	40,556	33,067	73,623
Additions	14,354	4,986	19,340
Disposals	(40,556)	(3,931)	(44,487)
At 31 December 2012	14,354	34,122	48,476
Depreciation			
At 1 January 2012	16,796	21,652	38,448
Charge for the year	3,562	3,523	7,085
On disposals	(19,161)	(3,486)	(22,647)
At 31 December 2012	1,197	21,689	22,886
Net book value			
At 31 December 2012	13,157	12,433	25,590
At 31 December 2011	23,760	11,415	35,175

8. Debtors

	2012 £	2011 £
Other debtors	205	908
VAT recoverable	14,743	17,181
Prepayments and accrued income	38,805	53,876
Deferred tax asset (see note 12)	9,000	10,000
	62,753	81,965

9. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	14,667	8,144
Amounts owed to group undertakings	146,728	264,784
Corporation tax	21,121	19,832
Other creditors	1,604	961
Accruals and deferred income	222,108	214,366
	406,228	508,087

Notes to the Financial Statements

For the Year Ended 31 December 2012

10. Pension commitments

The company contributes to employees' personal pension schemes. The pension cost charge represents contributions payable by the company to individual employee funds and amounted to £42,856 (2011 - £41,661). Contributions totalling £32,938 (2011 - £31,449) were payable to employee funds at the balance sheet date and are included in accruals and deferred income.

11. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within 1 year	-	-	23,247	12,784
Between 2 and 5 years	21,886	-	16,227	36,419
After more than 5 years	-	44,384	-	-

12. Deferred tax asset

	2012	2011
	£	£
At beginning of year	10,000	10,500
Charged for year	(1,000)	(500)
At end of year	9,000	10,000

The deferred tax asset is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	1,300	2,100
Other timing differences	7,700	7,900
	9,000	10,000

13. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

Notes to the Financial Statements

For the Year Ended 31 December 2012

14. Reserves

	Profit and loss account £
At 1 January 2012	(434,176)
Profit for the year	73,228
	<hr/>
At 31 December 2012	<u>(360,948)</u>

15. Reconciliation of movement in shareholders' deficit

	2012 £	2011 £
Opening shareholders' deficit	(384,176)	(483,907)
Profit for the year	73,228	99,731
	<hr/>	<hr/>
Closing shareholders' deficit	<u>(310,948)</u>	<u>(384,176)</u>

16. Related party transactions

The company has taken advantage of the exemptions under Financial Reporting Standard 8 not to disclose transactions with group companies

17. Ultimate parent company

The company's immediate parent undertaking is Husky Injection Molding Systems SA which is registered in Luxembourg. Husky Injection Molding Systems SA is a subsidiary of Husky International Ltd, based in Canada.

The smallest and largest group in which the results of the company are consolidated is that headed by Husky International Ltd.

Husky International Ltd (formerly Yukon Holdco Inc) is controlled and majority owned by Yukon Luxco S a r l, OPE Yukon Holdings Limited and OPE Yukon Investments Inc.