

Reg

RSM INDUSTRIES LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2011

MONDAY



A14 *A11NNC4G* #133
30/01/2012
COMPANIES HOUSE

Company Registration No 01908874 (England and Wales)

RSM INDUSTRIES LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors

M A Williams
G M Williams
Mrs A Corbett
Mrs J Cooper

Secretary and registered office

Mrs A Corbett
School Lane
Exhall
Coventry
CV7 9NN

Registered number

01908874

Principal place of business

School Lane
Exhall
Coventry
CV7 9NN

Auditors

Bishop Simmons Limited
Mitre House
School Road
Bulkington
Bedworth
Warwickshire
CV12 9JB

Bankers

Lloyds TSB
Colmore Row
Birmingham
BX1 1LT

RSM INDUSTRIES LIMITED

CONTENTS

	Page
Directors Report	1 – 2
Independent auditors report	3 – 4
Consolidated profit and loss account	5
Balance sheet	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the consolidated financial statements	9 – 17

RSM INDUSTRIES LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and financial statements for the year ended 31 May 2011

Principal activities and review of the business

The principal activity of the company is that of metal pressing. The trading subsidiary is also involved in similar operations

The groups profit for the year is shown on page 5 and amounted to £1,614,187, after taxation, compared with £870,975 for the previous year

The group's performance has been significantly improved by the trading results disclosed by its Slovenian subsidiary company RSM Komponente d o o had a profit after taxation of €760,368 compared to a €215,178 loss in its first year of trading Forecast results for the year ended 31 May 2012 are expected to show further improvement

The parent company RSM Industries Limited had another successful year with a profit before taxation of £1,364,641(2010 £1,442,887) Staffing levels have now risen to pre 2008/09 global recession numbers The group currently employs around 160 employees compared to around 120 last year

The directors are not aware at the date of the report of any likely major changes in the company's activities in the next year

Results and dividends

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

No dividends were paid in the current year (2010 £Nil).

Directors

The following directors have held office since 1 June 2010.

M A Williams
G M Williams
Mrs A Corbett
Mrs J Cooper

RSM INDUSTRIES LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MAY 2011

Statement of 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 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 group and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



G Williams
Director

4 January 2012

RSM INDUSTRIES LIMITED

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF RSM INDUSTRIES LIMITED

We have audited the group and parent company financial statements (the “financial statement”) of RSM Industries Limited for the year ended 31 May 2011 set out on pages 5 to 17. 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 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 explained more fully in the Directors’ Responsibilities Statement set out on pages 1 to 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 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 group’s and 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

Opinion

In our opinion the financial statements

- give a true and fair view of the statement of the group’s and parent company’s affairs as at 31 May 2011 and of the group’s 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

RSM INDUSTRIES LIMITED

INDEPENDENT AUDITORS REPORT (CONTINUED)

TO THE MEMBERS OF RSM INDUSTRIES 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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
- have not received all the information and explanations we require for our audit

Jane Biggs

Mrs Jane Biggs F C C A (Senior Statutory Auditor)
For and on behalf of Bishop Simmons Limited
Chartered Accountants and Registered Auditors
Mitre House
School Road
Bulkington
Bedworth
Warwickshire
CV12 9JB

4 January 2012 .

RSM INDUSTRIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2011

		YEAR TO 31 MAY 2011	YEAR TO 31 MAY 2010
	Notes		
Turnover	2	17,007,336	12,746,415
Cost of sales		13,470,401	10,148,437
Gross Profit		<u>3,536,935</u>	<u>2,597,978</u>
Administrative expenses		1,422,668	1,268,936
Other operating income		2,720	4,167
Operating profit	3	<u>2,116,987</u>	<u>1,333,209</u>
Other interest receivable and similar income		144	2,130
Interest payable and similar charges		(643)	(58,527)
Profit on ordinary activities before taxation		<u>2,116,488</u>	<u>1,276,812</u>
Tax on profit on ordinary activities	6	(502,301)	(405,837)
Profit on ordinary activities after taxation	7	<u>1,614,187</u>	<u>870,975</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There were no recognised gains or losses other than those included in the profit and loss account

RSM INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 MAY 2011

		Group		Company	
		2011	2010	2011	2010
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8	2,047,250	2,205,445	1,783,961	1,864,598
Current assets					
Stocks	9	1,513,598	837,481	1,355,723	716,703
Debtors	10	4,161,026	3,237,973	3,522,545	3,575,009
Cash at bank and in hand		1,230,063	927,718	1,218,097	883,955
		6,904,687	5,003,172	6,096,365	5,175,667
Creditors amounts falling due within one year	11	(2,732,020)	(2,637,372)	(2,121,924)	(2,302,944)
Net current assets		4,172,667	2,365,800	3,974,441	2,872,723
Total assets less current liabilities		6,219,917	4,571,245	5,758,402	4,737,321
Provisions for liabilities	12	(46,812)	(12,327)	(46,812)	(12,328)
		6,173,105	4,558,918	5,711,590	4,724,993
Capital and reserves					
Called up share capital	14	5,000	5,000	5,000	5,000
Profit and loss account	15	5,715,021	4,100,834	5,253,506	4,266,909
Share premium account		453,084	453,084	453,084	453,084
	16	6,173,105	4,558,918	5,711,590	4,724,993

Approved by the Board of directors on4/1/12..... and signed on its behalf

G Williams
Director

G. n. Wm —

Company Registration No: 01908874

RSM INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2011

	Notes	Year ended 31 May 2011 £	£	Year ended 31 May 2010 £
Net cash inflow from operating activities	1		758,302	859,872
Returns on investments and servicing of finance				
Interest received		144	2,130	
Interest paid		(643)	(58,527)	
Net cash outflow for returns on investments and servicing of finance			(499)	(56,397)
Taxation			(401,073)	(208,719)
Capital expenditure			(192,719)	(530,285)
Sale of tangible fixed assets			138,334	70,500
			302,345	134,971
Net cash outflow before management of liquid resources and financing				
Financing				
Equity dividend paid			-	-
(Decrease)/Increase in cash in the year	2/3		302,345	134,971

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

1 Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	£	£
Operating profit	2,116,987	1,333,209
Depreciation of tangible assets	259,873	327,347
Profit on sale of fixed assets	(47,292)	(26,626)
Increase in stocks	(676,117)	(272,505)
Increase in debtors	(923,053)	(837,294)
Increase in creditors	27,904	335,741
Net cash inflow from operating activities	758,302	859,872

2 Analysis of net debt

	Brought forward	Cash Flow	Carried forward
Net cash Cash at bank and in Hand	927,718	302,345	1,230,063

3 Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
(Decrease)/Increase in cash in the year	302,345	134,971
Cash inflow from increase in debt	-	-
Movement in net debt in the year	302,345	134,971
Opening net debt	927,718	792,747
Closing net debt	1,230,063	927,718

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards

b) Turnover

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

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or value less estimated residual value of each asset over its estimated useful life

The principal rates in use are

Freehold buildings	2% on a straight line basis
Motor vehicles	25% on a straight line basis
Equipment, fixtures and fittings	12 5% on a straight line basis
Plant and machinery	Cost over £50,000 12 5% on a straight line basis cost up to £50,000 - 25% on a straight line basis
Computer equipment	12 5% on a straight line basis

d) Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value

Cost of raw materials is determined on the first in first out basis In the case of work in progress and finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity Net realisable value is the price at which the stock can be realised in the normal course of business, less further costs to completion of sale

e) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

f) Hire purchase and lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due

M INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

g) Pension Scheme

The company provides defined contribution pension schemes to its employees and directors. The assets of those schemes are held separately from those of the company in independently administered funds. Contributions to these schemes are charged to the profit and loss account as they become payable.

h) Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to the 31 May 2011. Intra group transactions and profits are eliminated fully on consolidation.

i) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

RSM INDUSTRIES LIMITED

Notes to the financial statements for the year ended 31 May 2011 (contained)

2 Turnover

The turnover and profit before taxation is attributed to the principal activity of the group
Exports from the UK to other EC countries amounted to £3,609,775 (2010 £1,716,223)

	2011 £	2010 £
Turnover analysed by geographical area.		
United Kingdom - RSM Industries Limited	13,179,748	11,303,466
Slovenia - RSM Komponent D O O	3,827,588	144,294
	<u>17,007,336</u>	<u>12,746,415</u>

3 Profit on ordinary activities before taxation

This is stated after charging

Directors emoluments	355,281	278,316
Staff costs	4,040,433	2,481,368
	<u>4,395,714</u>	<u>2,759,684</u>
Operating lease rentals	142,489	157,952
Depreciation of owned assets	259,873	327,347
Auditors remuneration Audit fee	10,000	10,000
Fees for non-audit services	24,950	30,039
Profit on disposal of fixed assets	<u>(47,292)</u>	<u>(26,626)</u>

4 Employee information

Staff costs:

Wages and salaries	4,079,871	2,511,655
Social security costs	277,502	214,426
Other pension costs	38,341	33,603
	<u>4,395,714</u>	<u>2,759,684</u>

The average number of persons employed during the year, including executive directors, was made up as follows -

	2011 Number	2010 Number
Office and management	19	19
Production	144	104
	<u>163</u>	<u>123</u>

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

5 Directors emoluments	2011	2010
	£	£
Emoluments	343,555	266,590
Company contributions to money purchase pension schemes	11,726	11,726
	<u>355,281</u>	<u>278,316</u>

The number of directors who were accruing benefits under company pension schemes were as follows -

Defined contribution scheme	<u>3</u>	<u>3</u>
-----------------------------	----------	----------

6 Taxation	2011	2010
	£	£
Domestic current year tax		
UK corporation tax	343,560	401,073
Overseas's current tax year		
Slovenian corporate tax	124,257	-
Deferred tax charge		
Origination and reversal of timing differences	34,484	4,764
	<u>502,301</u>	<u>405,837</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation multiplied by standard rate of UK corporate tax of 28%	592,617	357,507
Effects of		
Non deductible expenses	1,943	1,829
Asset additions not qualifying for capital allowances	1,747	-
Overseas subsidiary loss not allowable for UK Corporation		
Tax at rate of 28% applied to RSM Komponente profit before tax of £751,848 (2010 loss £166,075)	(210,517)	46,501
UK corporation tax rate change from 28% to 26%	(7,746)	-
Slovenian corporate tax payable	124,257	-
Current tax charge	<u>502,301</u>	<u>405,837</u>

RSM INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows -

	2011	2010
	£	£
Holding company profit for the financial year	986,596	1,037,050
Subsidiary company profit (2010 loss) for the financial year	627,591	(166,075)
	<hr/>	<hr/>
	1,614,187	870,975
	<hr/>	<hr/>

8 Tangible fixed assets

	Computers	Motor Vehicles	Freehold Land & Buildings	Plant & Machinery	Fixtures Fittings & Equipment	Total
Cost						
At 1 June 2010	100,302	149,098	1,624,231	4,330,085	164,238	6,367,954
Additions	4,474	19,745	6,240	162,260	-	192,719
Disposals	-	-	-	(121,389)	-	(121,389)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2011	104,776	168,843	1,630,471	4,370,956	164,238	6,439,284
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 June 2010	63,637	106,347	215,753	3,643,653	133,119	4,162,509
Charge for the year	9,718	26,152	22,607	194,552	6,844	259,873
Adjustment for disposals	-	-	-	(30,348)	-	(30,348)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2011	73,355	132,499	238,360	3,807,857	139,963	4,392,034
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 1 June 2010	36,665	42,751	1,408,478	686,432	31,119	2,205,445
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2011	31,421	36,344	1,392,111	563,099	24,275	2,047,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

9 Stocks	Group	
	2011	2010
Work in progress	332,896	267,875
Finished goods and goods for resale	1,180,702	569,606
	<u>1,513,598</u>	<u>837,481</u>

10 Debtors	Group		Company	
	2011	2010	2011	2010
Trade debtors	3,846,321	3,075,162	2,511,841	2,523,288
Amounts owed by group undertakings	-	-	726,853	911,926
Prepayments and accrued income	134,880	143,058	133,569	138,858
Other debtors	179,825	19,753	150,282	937
	<u>4,161,026</u>	<u>3,237,973</u>	<u>3,522,545</u>	<u>3,575,009</u>

11 Creditors amounts falling due within one year	Group		Company	
	2011	2010	2011	2010
Trade creditors	1,659,124	1,823,165	1,231,863	1,521,371
Corporation tax	467,818	401,073	343,560	401,073
Other taxes and social security costs	172,870	138,837	172,870	138,837
Other creditors	913	913	913	913
Accruals and deferred income	431,295	273,384	372,718	240,750
	<u>2,732,020</u>	<u>2,637,372</u>	<u>2,121,924</u>	<u>2,302,944</u>

12 Provisions for liabilities	Group and Company	
	2011	2010
Deferred taxation arising from accelerated capital allowances	<u>46,812</u>	<u>12,327</u>

RSM INDUSTRIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2011****13 Pension and other post-retirement benefit commitments****Defined contribution scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £38,341 (2010 £33,603). At 31 May 2011 contributions amounting to £4,203 (2010 £2,903) were payable to the fund and were included in creditors.

14 Share capital

	2011	2010
	£	£
Authorised		
10000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
5000 Ordinary shares of £1 each	5,000	5,000
	<hr/>	<hr/>

15 Statement of movements on profit and loss account Group

	Profit & Loss Account £
Balance at 1 June 2010	4,100,834
Profit for the year	1,614,187
	<hr/>
Balance at 31 May 2011	5,715,021
	<hr/>
Company	
Balance at 1 June 2010	4,266,909
Profit for the year	986,597
	<hr/>
Balance at 31 May 2011	5,253,506
	<hr/>

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

16 Reconciliation of movements in shareholders funds

Group	2011	2010
	£	£
Opening shareholders funds	4,558,918	3,687,943
Profit for the financial year	<u>1,614,187</u>	<u>870,975</u>
	6,173,105	4,558,918
Dividends paid	<u>-</u>	<u>-</u>
	<u>6,173,105</u>	<u>4,558,918</u>
Company		
Opening shareholders funds	4,724,993	3,687,943
Profit for the financial year	<u>986,597</u>	<u>1,037,050</u>
	5,711,590	4,724,993
Dividends paid	<u>-</u>	<u>-</u>
	<u>5,711,590</u>	<u>4,724,993</u>

17 Leasing commitments

The groups annual contributions for rental payments under non-cancellable operating leases at 31 May 2011 were as set out below

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within one year	120,743	-	120,743	-
Within two to five years	-	18,486	-	10,784
	<u>120,743</u>	<u>18,486</u>	<u>120,743</u>	<u>10,784</u>

18 Control

The group is under the control of G Williams (the Managing Director of the company) and his family

19 Group Companies

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

RSM INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

20 Subsidiary undertaking

During the year to 31 May 2009 the directors of RSM Industries Limited formed a subsidiary RSM Komponente d.o.o. The cost of the whole of the issued share capital was £6,522. Details of the subsidiary are as follows:

RSM KOMONENT D.O.O

Registered in Slovenia

Nature of business: Metal pressing and manufacture of steel tube products

Class of shares: Ordinary

Holding: 100%

The trading results of the subsidiary are reflected in these consolidated financial statements.