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Registered number 202224

## **Stedall (Vehicle Fittings) Limited**

### **Report and Financial Statements**

31 December 2015



**Directors**

A E Leahy  
D M Pearce  
B R Horth

**Secretary**

D M Pearce

**Auditors**

Ernst & Young LLP  
The Paragon, Counterslip  
Bristol BS1 6BX

**Bankers**

The Royal Bank of Scotland plc  
Abbey Gardens  
4 Abbey Street  
Reading  
Berkshire RG1 3BA

**Registered Office**

Unit 1A  
Badminton Road Trading Estate  
Yate  
Bristol BS37 5JS

Registered No. 202224

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

### Results and dividends

The profit for the year after taxation amounted to £1,474,000 (2014 – profit of £1,560,000). The directors do not recommend a final dividend (2014 – £nil).

### Going concern

In assessing the appropriateness of the application of the going concern basis, the directors have considered the trading performance of the company, the available cash and the support of the parent undertaking. The directors are of the view that it is appropriate to apply the going concern basis.

### Directors

The directors who served the company during the year and up to the date of this report were as follows:

A E Leahy  
D M Pearce  
B R Horth

### Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

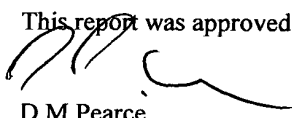
### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9<sup>th</sup> September 2016 and signed on its behalf



D M Pearce  
Secretary

## Strategic Report

### Principal activity and review of the business

The company's principal activity is the sale of commercial vehicle body fittings and associated products in the United Kingdom, Europe and other overseas markets.

The company's key performance indicators during the year were as follows:

	2015	2014	Change
	£000	£000	%
Turnover	7,979	7,289	+9.5%
Operating profit	1,958	1,984	-1.3%
Profit after tax excluding other comprehensive income	1,474	1,560	-5.5%
Shareholders' funds	4,916	3,511	+40.0%
Current ratio	635%	584%	+84%

Turnover increased against 2014 due to the successful introduction of new product lines.

Liquidity ratios have increased by 87% due to an increase in cash as a result of the increase in turnover.

### Future developments

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

### Principal risks and uncertainties

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties facing the company are broadly grouped as competitive risks and financial instrument risks.

#### Competitive risks

Due to the nature of the market in Europe and the rest of the world, the company has faced competition throughout the years. The company puts strong emphasis on its excellent service levels, quality of its products and competitive pricing to its customer base to maintain its position within the market.

#### Financial instruments risks

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

#### Exposure to price, credit, liquidity and cash flow risk

Price risk arises on inventory purchases, but the company aims to minimise risk through effective management of inventory levels, monitoring stock turn and reviewing prices regularly.

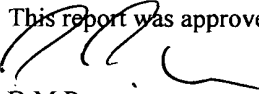
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that material deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the company's debtors are shown in note 11 to the financial statements. The company limits individual trade debtor exposures and these limits are reviewed on a continual basis.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operation and applying cash collection targets. The company is focussed on reducing debtor and inventory days.

## Strategic Report (continued)

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability.

This report was approved by the board on 9<sup>th</sup> September 2016 and signed on its behalf



D M Pearce  
Secretary

## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 judgments and 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; 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 Stedall (Vehicle Fittings) Limited**

We have audited the financial statements of Stedall (Vehicle Fittings) Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 5, 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 Report and financial statements 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 the 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 (continued)**

**to the members of Stedall (Vehicle Fittings) 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.

*Ernst & Young LLP*

Ken Griffin

(Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Bristol

*13 September 2016*



## Profit and loss account

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
<b>Turnover</b>	3	7,979	7,289
Cost of sales		(4,101)	(3,781)
<b>Gross profit</b>		3,878	3,508
Distribution costs		(515)	(376)
Administrative expenses		(1,405)	(1,148)
<b>Operating profit</b>	4	1,958	1,984
Interest receivable and similar income	7	57	65
Interest payable and similar charges	7	(98)	(78)
<b>Profit on ordinary activities before taxation</b>		1,917	1,971
Tax	8	(443)	(411)
<b>Profit for the financial year</b>		1,474	1,560

All amounts relate to continuing activities.

## Statement of comprehensive income

for the year ended 31 December 2015

		2015	2014
	Notes	£000	£000
<b>Profit for the financial year</b>		1,474	1,560
Remeasurement on defined benefit scheme loss	14	(86)	(1,831)
Movement on deferred tax relating to pension loss	8	17	366
<b>Other comprehensive income for the year</b>		(69)	(1,465)
<b>Total comprehensive income for the year</b>		1,405	95

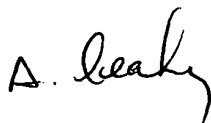
## Balance sheet

at 31 December 2015

	Notes	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	9	76	100
		<u>76</u>	<u>100</u>
<b>Current assets</b>			
Stocks	10	921	1,059
Debtors	11	4,366	3,798
Cash at bank and in hand		3,550	2,700
		<u>8,837</u>	<u>7,557</u>
<b>Creditors: amounts falling due within one year</b>	12	1,326	1,205
<b>Net current assets</b>		<u>7,511</u>	<u>6,352</u>
<b>Total assets less current liabilities</b>		<u>7,587</u>	<u>6,452</u>
Pension liability	14	(2,671)	(2,941)
<b>Net assets</b>		<u>4,916</u>	<u>3,511</u>
<b>Capital and reserves</b>			
Called up share capital	13	78	78
Share premium account		5	5
Profit and loss account		4,833	3,428
<b>Shareholders' funds</b>		<u>4,916</u>	<u>3,511</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9<sup>th</sup> September 2016

A E Leahy  
Director



## Statement of changes in equity

for the year ended 31 December 2015

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Retained earnings</i> £000	<i>Total equity</i> £000
<b>At 1 January 2014 (as restated)</b>	78	5	3,333	3,416
Profit for the year	-	-	1,560	1,560
Other comprehensive income for the year	-	-	(1,465)	(1,465)
Total comprehensive income for the year	-	-	95	95
<b>At 1 January 2015 (as restated)</b>	78	5	3,428	3,511
Profit for the year	-	-	1,474	1,474
Other comprehensive income for the year	-	-	(69)	(69)
Total comprehensive income for the year	-	-	1,405	1,405
<b>At 31 December 2015</b>	78	5	4,833	4,916

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Stedall (Vehicle Fittings) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Unit 1A, Badminton Road Trading Estate, Yate, Bristol, BS37 5JS. The nature of the company's operations and its principal activities are set out in the strategic report on pages 3 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. Information on the impact of first time adoption of FRS 102 is given in note 17

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company's financial statements are presented in sterling and all values rounded to the nearest thousand pounds (£'000) except when otherwise indicated. .

Exemptions for qualifying entities under FRS 102:

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Stedall (Vehicle Fittings) Limited is a qualifying entity as its results are consolidated into the financial statements of Citadel Enterprises B.V. a company incorporated in The Netherlands, registration number 32039365, the registered office is Soestdijkerstraatweg 62, 1213 XE, Hilversum, The Netherlands which are publicly available..

*As a qualifying entity, the Company has taken advantage of the following exemptions:*

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows (FRS 102 paragraph 1.12(b))
- ii) not to disclose related party transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling party (FRS 102 paragraph 33.1(a))

#### 1.2 Going concern

In assessing the appropriateness of the application of the going concern basis, the directors have considered the trading performance of the company, the available cash and the support of the parent undertaking. The directors are of the view that it is appropriate to apply the going concern basis.

The following principal accounting policies have been applied:

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies (continued)

#### 1.3 Turnover

Turnover which is stated net of value added tax, represents the invoiced amount of goods sold and services provided in the ordinary course of business in respect of continuing activities. The majority of revenue arose in the United Kingdom. The following criteria must also be met before revenue is recognised:

##### *Sale of goods*

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### *Rendering of services*

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of assets evenly over their expected useful lives, as follows:

Plant, machinery and equipment	–	10%-33% per annum
Fixtures and fittings	–	10% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and loss account.

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies (continued)

#### **1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

#### **1.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **1.7 Cash and cash equivalents**

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash that are subject to a significant risk of changes in value.

#### **1.8 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to/from related parties.

Debt instruments that are payable within one year, typically trade payables or receivable, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

#### **1.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **1.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **1.11 Foreign currency translation**

Amounts denominated in foreign currency are included in the financial statements at rates ruling at the date of the transactions. At the balance sheet date assets and liabilities are stated at the rates ruling at that date. Any gain or loss on translation is taken to the profit and loss account for the year.

#### **1.12 Operating leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

## Notes to the financial statements

at 31 December 2015

### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Pension and other post-employment benefits*

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The company engages suitably qualified actuaries to compile this information and engages investment managers to manage the assets of the scheme in the most effective manner.

### 3. Turnover

Turnover is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2015 £000	2014 £000
United Kingdom	7,006	6,378
Europe	879	831
Rest of the world	94	80
	<u>7,979</u>	<u>7,289</u>

### 4. Operating profit

This is stated after charging

	2015 £000	2014 £000
Auditors' remuneration – audit services	16	16
– non audit services	14	14
Depreciation – owned assets	33	40
Operating lease payments – land and buildings	95	95
– plant and machinery	46	42



## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies (continued)

#### 1.13 Pensions

##### **Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The plan is closed to new members since 2001 and to future service accrual since 31 December 2014.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds

## Notes to the financial statements

at 31 December 2015

### 5. Directors' remuneration

	2015	2014
	£000	£000
Aggregate remuneration in respect of qualifying services	308	312

Retirement benefits are accruing to 2 directors under a defined benefit scheme (2014 – 2).

Remuneration of the highest paid director is as follows:

	2015	2014
	£000	£000
Aggregate remuneration excluding pension contributions	132	142
Pension contributions to defined benefit pension scheme	58	47
	190	189
Accrued pension at the end of the year	46	46
Accrued lump sum at the end of the year	309	308

#### Key management personnel

The parent company consider the directors of the company to be the key management personnel who have authority and responsibility for planning, directing and controlling the activities of the company.

### 6. Staff costs

	2015	2014
	£000	£000
Wages and salaries	860	868
Social security costs	108	96
Pension costs	220	209
	1,188	1,173

The monthly average number of employees during the year was 25 (2014 – 25).

### 7. Interest receivable and interest payable

	2015	2014
	£000	£000
Bank interest received	4	41
Interest from group undertakings	53	24
Interest receivable and similar income	57	65
Other interest payable	98	78
Interest payable and similar charges	98	78

## Notes to the financial statements

at 31 December 2015

### 8. Tax

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

The tax charge is made up as follows:

	2015 £000	2014 £000
<b>Current tax:</b>		
UK corporation tax at 20.25% (2014 21.5%)	330	234
Adjustments in respect of prior years	—	—
	<u>330</u>	<u>234</u>
<b>Deferred tax:</b>		
Deferred tax (note 8(d))	113	177
Total deferred tax	<u>113</u>	<u>177</u>
<b>Total taxation on profit on ordinary activities</b>	<u><u>443</u></u>	<u><u>411</u></u>

#### (b) Tax included in statement of other comprehensive income

	2015 £000	2014 £000
Deferred tax in respect of pension scheme	(17)	(366)
Total tax charge/(credit)	<u>(17)</u>	<u>(366)</u>

#### (c) Factors affecting tax charge for the year

The tax charge for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>1,917</u>	<u>1,971</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	388	423
<b>Effects of:</b>		
Disallowed expenses	1	—
Tax rate changes	54	(12)
Total tax charge for the year (note 8(a))	<u><u>443</u></u>	<u><u>411</u></u>

## Notes to the financial statements

at 31 December 2015

### 8. Tax (continued)

#### (d) Deferred tax

*The deferred tax asset is made up as follows*

	2015 £000	2014 £000
Accelerated capital allowances	2	-
Retirement benefit obligations	481	588
Other timing differences	4	(4)
	<u>487</u>	<u>583</u>

The company expects deferred tax assets of £71,000 to reverse in 2016

	£000
At 1 January 2015 (note 11)	583
Charged to profit and loss account	(113)
Deferred tax credit to other comprehensive income	17
At 31 December 2015	<u>487</u>

#### (e) Factors that may affect future tax charges

The Finance Act 2013 included legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015 resulting in a blended current tax rate of 20.25% for the period. Further reductions in the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 were substantively enacted in October 2015 and consequently deferred tax has been recognised at a rate of 18% (2014 - 20%).

In his Budget 2016, the Chancellor announced that the main rate of corporation tax would reduce to 17% from 1 April 2020 rather than 18%. Since this had not been substantively enacted at the balance sheet date it has not been factored into these accounts. The impact of this change on the closing deferred tax asset would be a reduction of approximately £27,000.

## Notes to the financial statements

at 31 December 2015

### 9. Tangible fixed assets

	<i>Plant, machinery and equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£000	£000	£000
Cost:			
At 1 January 2015	399	69	468
Additions	1	8	9
Disposal	—	—	—
At 31 December 2015	400	77	477
Depreciation:			
At 1 January 2015	333	35	368
Charge for year	27	6	33
Disposal	—	—	—
At 31 December 2015	360	41	401
Net book value:			
At 31 December 2015	40	36	76
At 1 January 2015	66	34	100

### 10. Stocks

	2015	2014
	£000	£000
Finished goods and goods for resale	921	1,059

### 11. Debtors

	2015	2014
	£000	£000
Trade debtors	1,446	1,134
Amounts owed by group undertakings	2,346	1,982
Prepayments	87	99
Deferred tax asset (note 8)	487	583
	4,366	3,798

Amounts falling due after more than one year included above relate to deferred tax, 2015: £416,000 (2014: £511,000)

## Notes to the financial statements

at 31 December 2015

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

	2015	2014
	£000	£000
Trade creditors	432	492
Corporation tax	195	132
Other taxes and social security costs	288	186
Accruals	411	395
	<u>1,326</u>	<u>1,205</u>

### 13. Issued share capital

	2015		2014	
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	78,150	<u>78,150</u>	78,150	<u>78,150</u>

### 14. Pensions

The Company jointly operates a defined benefit pension scheme with its sister company, Stertil UK Limited. Throughout the year certain employees of the company were members of the Stokvis Pension and Life Assurance Scheme, a contracted-out defined benefit scheme. This is a group scheme in which Stertil UK Limited and Stedall (Vehicle Fittings) Limited are joint sponsoring employers. Approximately half of the scheme's membership consists of the company's employees. Under adoption of FRS 102, effective 1 January 2014, the deficit and ongoing costs and actuarial gains/losses have been split equally between the two participating employers in accordance with the agreement between the sponsoring employers. The directors have provided details below of the company's share of the assets, liabilities, main assumptions and movements in the total scheme during the year, under FRS 102, for the purposes of providing information for shareholders. In the event of either employer leaving the scheme they are obliged to secure the accrued benefits for their members on a buyout basis. If this is not possible responsibility for the total liabilities of the scheme will rest with the remaining employer.

Contributions to the scheme were determined using the actuarial valuation as at 1 January 2015 performed by independent actuaries using the attained age method. Contributions are based on pension costs across both companies participating in the scheme. The principal actuarial assumptions adopted were a rate of return on investments of 5.2% per annum prior to retirement and 3.2% per annum after retirement, salary increases of 3.75% per annum and retail price inflation of 3% per annum.

The valuation used has been based on the most recent actuarial valuation at 1 January 2012 and was updated to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2015 and 31 December 2014. The updated valuation as at 31 December 2015 showed a total market value of assets of £19.9 million (2014 – £18.8 million) and a deficit of £5.3 million (2014 – £5.9 million). In order to eliminate the deficit, a new recovery plan was agreed in January 2014. Each employer will pay £25,800 per month which will increase by 3% per annum. In addition, each employer will make additional payments depending on the profitability of the businesses and these payments, where appropriate, may be paid to the scheme in October each year. The scheme was closed to future service accrual as at 31 December 2014. As the scheme is closed to new members and future accrual, under the projected unit method the current service cost will increase as the scheme members approach retirement.

## Notes to the financial statements

at 31 December 2015

### 14. Pensions (continued)

#### *FRS 102 information on the total defined benefit scheme.*

The valuation used for FRS 102 disclosures has been based on an approximate adjustment to the results of the actuarial valuation as at 1 January 2012 and updated by the actuary to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2015. Scheme assets are stated at their market value as at 31 December 2015.

#### *Reconciliation of the company's share of the present value of plan liabilities*

	2015 £000	2014 £000
At the beginning of the year	12,329	10,561
Current service cost	–	62
Interest cost	441	482
Actuarial gains/losses	35	1,886
Contributions	–	30
Benefits paid	(167)	(182)
Gain/loss on settlement or curtailment	–	(509)
<b>At the end of the year</b>	<b>12,638</b>	<b>12,330</b>

#### *Reconciliation of the company's share of the present value of plan assets*

	2015 £000	2014 £000
At the beginning of the year	9,389	8,628
Interest income	343	404
Actuarial gains/losses	(51)	55
Contributions	454	484
Benefits paid	(168)	(182)
<b>At the end of the year</b>	<b>9,967</b>	<b>9,389</b>

	2015 £000	2014 £000
Fair value of plan assets	9,967	9,389
Present value of plan liabilities	(12,638)	(12,330)
<b>Company's share of the net pension scheme liability</b>	<b>(2,671)</b>	<b>(2,941)</b>

## Notes to the financial statements

at 31 December 2015

### 14. Pensions (continued)

The amounts recognised in profit or loss are as follows:

	2015 £000	2014 £000
Current service cost	–	(62)
(Losses)/Gains on curtailments and settlements	–	509
Interest	98	(78)
<b>Total</b>	<b>98</b>	<b>369</b>

The amounts recognised in other comprehensive income are as follows:

	2015 £000	2014 £000
Actual return on plan assets	292	459
Less: amounts included in net interest on the net defined benefit liability	(343)	(404)
Remeasurement (losses) and gains – return on plan assets excluding interest	(51)	55
Remeasurement (losses) and gains – actuarial losses	(35)	(1,886)
<b>Remeasurement (losses) and gains recognised in other comprehensive income</b>	<b>(86)</b>	<b>(1,831)</b>

The Company expects to contribute £450,000 to its Defined benefit pension scheme deficit in 2016.

Principal actuarial assumptions at the Balance sheet date: The valuation used for FRS 102 disclosures has been based on an approximate adjustment to the results of the actuarial valuation as at 1 January 2012 and updated by the actuary to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme as at 31 December 2015. Scheme assets are stated at their market value at 31 December 2015.



## Notes to the financial statements

at 31 December 2015

### 14. Pensions (continued)

	2015 %	2014 %
Rate of increase in salaries	–	3.80
Rate of increase to pensions in payments accrued pre 31 December 2004	5.00	5.00
Rate of increase to pensions in payments accrued post 31 December 2004	3.30	3.20
Rate of increase to pensions in payments accrued pre 30 April 2008	3.20	2.20
Discount rate	3.70	3.60
Inflation assumption	3.40	3.30
Revaluation of pensions in deferment (CPI)	2.40	2.30
Post retirement mortality (in years)	in years	in years
Current pensioners at 65 - male	22.3	22.6
Current pensioners at 65 - female	23.9	24.2
...Future pensioners at 65 - male	24.3	24.8
Future pensioners at 65 - female	26.2	26.7

The post-mortality mortality assumptions allow for expected increases in longevity. The 'current' disclosure above relate to assumptions based on longevity (in years) following retirements at the balance sheet date, with 'future' being that relating to an employee retiring in 2035.

The assets and liabilities of the scheme and the expected rate of return at 31 December 2015 are:

	2015 Value £000	2014 Value £000
Equities	13,356	12,680
Bonds & Gilts	2,233	2,050
Annuities	3,010	2,918
Cash	1,335	1,130
Total market value of assets	19,934	18,778
Present value of scheme liabilities	(25,276)	(24,659)
Net pension deficit	(5,342)	(5,881)

The company's share of the above mentioned asset and liability amounts is 50%.

## Notes to the financial statements

at 31 December 2015

### 15. Other financial commitments

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2015		2014	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Total future minimum rentals payable under non-cancellable operating leases:				
Not later than one year	–	7	–	9
Later than one year and not later than five years	–	49	–	71
Later than five years	546	–	641	–
	<u>546</u>	<u>56</u>	<u>641</u>	<u>80</u>

### 16. Ultimate parent undertaking and controlling party

In the opinion of the directors, Citadel Enterprises B.V., a company incorporated in The Netherlands, is the ultimate parent undertaking and controlling party.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Citadel Enterprises B.V., and the parent undertaking of the smallest such group is ARM-Stokvis B.V., a company incorporated in The Netherlands. Copies of group financial statements can be obtained from Citadel Enterprises B.V., Soestdijkerstraatweg 62, 1213 XE, Hilversum, The Netherlands.

### 17. First time adoption of FRS 102

#### Reconciliation of equity at 1 January 2014

	£'000
Equity shareholders' funds at 1 January 2014 under previous UK GAAP	4,963
Recognition of the company's share of the defined benefit pension scheme	(1,933)
Associated deferred tax	386
Equity shareholders' funds at 1 January 2014 under FRS 102	<u>3,416</u>

#### Reconciliation of equity 31 December 2014

	£000
Equity shareholders' funds at 31 December 2014 under previous UK GAAP	5,864
Recognition of the company's share of the defined benefit pension scheme	(2,940)
Associated deferred tax	587
Equity shareholders' funds at 31 December 2014 under FRS 102	<u>3,511</u>

## Notes to the financial statements

at 31 December 2015

### 17. First time adoption of FRS 102 (continued)

#### Reconciliation of the profit and loss account for the year ended 31 December 2014

	£000
Profit for the year ended 31 December 2014 under previous UK GAAP	901
Remeasurement of defined benefit pension scheme cost	824
Deferred tax	(165)
Profit for the year ended 31 December 2014 under FRS 102	<u>1,560</u>

#### Explanation of changes to previously reported profit and equity:

1. The defined benefit pension scheme and the associated deferred tax asset that was previously accounted for as a multi-employer scheme has been recognised on the balance sheet on transition to FRS 102. This transition item has been shared 50/50 with another participating employer and has reduced together with the associated deferred tax equity by £1,547,000 on 1 January 2014 and £2,353,000 on 31 December 2014. The profit for the financial year for 2014 has increased by £659,000.

The revised accounting policies under FRS 102 are shown in note 1 to the financial statements.

#### Defined benefit pension scheme

The company is the joint sponsoring employer of a group defined benefit pension plan that shares risks between entities under common control. Under previous UK GAAP this scheme was accounted for as a defined contribution scheme. Whereas under FRS 102 both of the participating employers has recognised 50% of the plan in its individual financial statements.