

Registered number 202224

Stedall (Vehicle Fittings) Limited

Report and Financial Statements

31 December 2016



Directors

B R Horth
D M Pearce

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 2016.

Results and dividends

The profit for the year after taxation amounted to £1,451,000 (2015 – profit of £1,474,000). The directors do not recommend a final dividend (2015 – £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, future forecasts of the company and the available cash. 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 (resigned 31/12/16)

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.

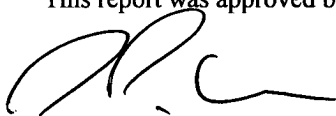
Disclosure of information to the auditors

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 30th May 2017 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:

	2016 £000	2015 £000	Change %
Turnover	7,699	7,979	-3.5%
Operating profit	1,868	1,958	-4.6%
Profit after tax excluding other comprehensive income	1,451	1,474	-1.6%
Shareholders' funds	4,946	4,916	+0.6%
Current ratio	808%	666%	+142%

Turnover decreased against 2015 due to the reduction in activity of some major customers.

Current ratio has increased by 142% due to an increase in cash, driven by continued profitability and minimal capital investment.

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.

The full business implications of Brexit remain uncertain, which will be the case for some time, and any risks arising will be a key focus area for management in the next financial year. Currency fluctuations, trading arrangements, employment issues and other risks that become apparent over time will be monitored by management and mitigation put in place where possible.

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.

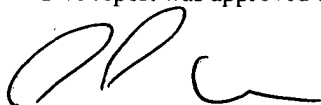
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that material deferred terms are only granted to customers who demonstrate an appropriate 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 30th May 2017 and signed on its behalf

A handwritten signature in black ink, appearing to be 'D M Pearce', written over a horizontal line.

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 2016 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 16. 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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.

Independent auditor's report (continued)

to the members of Stedall (Vehicle Fittings) Ltd

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

Date

30 May 2017

Profit and loss account

for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Turnover	3	7,699	7,979
Cost of sales		(3,826)	(4,101)
Gross profit		3,873	3,878
Distribution costs		(505)	(515)
Administrative expenses		(1,500)	(1,405)
Operating profit	4	1,868	1,958
Interest receivable and similar income	7	68	57
Interest payable and similar charges	7	(89)	(98)
Profit on ordinary activities before taxation		1,847	1,917
Tax	8	(396)	(443)
Profit for the financial year		1,451	1,474

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2016

		2016	2015
	Notes	£000	£000
Profit for the financial year		1,451	1,474
Remeasurement on defined benefit scheme loss	14	(1,727)	(86)
Movement on tax relating to pension loss	8	306	17
Other comprehensive loss for the year		(1,421)	(69)
Total comprehensive income for the year		30	1,405

Balance sheet

at 31 December 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	9	50	76
		<u>50</u>	<u>76</u>
Current assets			
Stocks	10	1,061	921
Debtors	11	4,288	4,366
Cash at bank and in hand		4,773	3,550
		<u>10,122</u>	<u>8,837</u>
Creditors: amounts falling due within one year	12	(1,252)	(1,326)
Net current assets		<u>8,870</u>	<u>7,511</u>
Total assets less current liabilities		<u>8,920</u>	<u>7,587</u>
Pension liability	14	(3,974)	(2,671)
Net assets		<u>4,946</u>	<u>4,916</u>
Capital and reserves			
Called up share capital	13	78	78
Share premium account		5	5
Profit and loss account		4,863	4,833
Shareholders' funds		<u>4,946</u>	<u>4,916</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th May 2017



B R Horth
Director

Statement of changes in equity

for the year ended 31 December 2016

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Retained earnings</i> £000	<i>Total equity</i> £000
At 1 January 2015	78	5	3,428	3,511
Profit for the year	-	-	1,474	1,474
Other comprehensive loss for the year	-	-	(69)	(69)
Total comprehensive income for the year	-	-	1,405	1,405
At 1 January 2016	78	5	4,833	4,916
Profit for the year	-	-	1,451	1,451
Other comprehensive loss for the year	-	-	(1,421)	(1,421)
Total comprehensive income for the year	-	-	30	30
At 31 December 2016	78	5	4,863	4,946

Notes to the financial statements

at 31 December 2016

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 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, future forecasts of the company and the available cash. 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 2016

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 2016

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 2016

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 2016

2. Judgements 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.

Deferred tax asset

Management judgement is required to determine the amount of deferred tax assets that may be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Deferred tax has been recognised as it is anticipated that the company will have sufficient taxable profits against which these assets will reverse.

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:

	2016 £000	2015 £000
United Kingdom	6,586	7,006
Europe	964	879
Rest of the world	149	94
	<u>7,699</u>	<u>7,979</u>

4. Operating profit

This is stated after charging

		2016 £000	2015 £000
Auditors' remuneration	— audit services	20	16
	— non audit services	15	14
Depreciation	— owned assets	27	33
Operating lease payments	— land and buildings	95	95
	— plant and machinery	45	46

Notes to the financial statements

at 31 December 2016

5. Directors' remuneration

	2016	2015
	£000	£000
Aggregate remuneration in respect of qualifying services	366	308

Retirement benefits are accruing to 2 directors under a defined benefit scheme (2015 – 2).

Remuneration of the highest paid director is as follows:

	2016	2015
	£000	£000
Aggregate remuneration excluding pension contributions	173	132
Pension contributions to defined benefit pension scheme	12	58
	185	190
Accrued pension at the end of the year	46	46
Accrued lump sum at the end of the year	307	309

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

	2016	2015
	£000	£000
Wages and salaries	897	860
Social security costs	112	108
Pension costs	221	220
	1,230	1,188

The monthly average number of employees during the year was 24 (2015 – 25).

7. Interest receivable and interest payable

	2016	2015
	£000	£000
Bank interest received	5	4
Interest from group undertakings	63	53
Interest receivable and similar income	68	57
Other interest payable	89	98
Interest payable and similar charges	89	98

Notes to the financial statements

at 31 December 2016

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	2015
	£000	£000
Current tax:		
UK corporation tax at 20% (2015 20.25%)	370	330
	<u>370</u>	<u>330</u>
Deferred tax:		
Deferred tax (note 8(d))	26	113
Total deferred tax	<u>26</u>	<u>113</u>
Total taxation on profit on ordinary activities	<u><u>396</u></u>	<u><u>443</u></u>

(b) Tax included in statement of other comprehensive income

	2016	2015
	£000	£000
Current tax credit on pension scheme	(85)	(17)
Deferred tax credit in respect of pension scheme (note 8 (d))	<u>(221)</u>	<u>-</u>
Total tax (credit)	<u><u>(306)</u></u>	<u><u>(17)</u></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% (2015 – 20.25%). The differences are explained below:

	2016	2015
	£000	£000
Profit on ordinary activities before tax	<u>1,847</u>	<u>1,917</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	369	388
<i>Effects of:</i>		
Disallowed expenses	1	1
Tax rate changes	<u>26</u>	<u>54</u>
Total tax charge for the year (note 8(a))	<u><u>396</u></u>	<u><u>443</u></u>

Notes to the financial statements

at 31 December 2016

8. Tax (continued)

(d) Deferred tax

The deferred tax asset is made up as follows

	2016 £000	2015 £000
Accelerated capital allowances	4	2
Retirement benefit obligations	676	481
Other timing differences	2	4
	<u>682</u>	<u>487</u>

The company expects deferred tax assets of £73,000 to reverse in 2017.

	£000
At 1 January 2016 (note 11)	487
Charged to profit and loss account	(26)
Deferred tax credit to other comprehensive income	221
At 31 December 2016	<u>682</u>

(e) Factors that may affect future tax charges

The main rate of corporation tax has been 20% since 1 April 2015. A reduction in the corporation tax rate to 19% from 1 April 2017 was enacted during 2015, and a further reduction to 17% from 1 April 2020 was announced during the 2016 budget. As such deferred tax has been recognised at the rate which will prevail in the period where the timing differences are expected to reverse.

Notes to the financial statements

at 31 December 2016

9. Tangible fixed assets

	<i>Plant, machinery and equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:			
At 1 January 2016	400	77	477
Additions	1	-	1
At 31 December 2016	401	77	478
Depreciation:			
At 1 January 2016	360	41	401
Charge for year	20	7	27
Disposal	-	-	-
At 31 December 2016	380	48	428
Net book value:			
At 31 December 2016	21	29	50
At 1 January 2015	40	36	76

10. Stocks

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Finished goods and goods for resale	1,061	921

In the directors opinion there were no significant differences between replacement cost and the amount at which goods for resale were stated in the financial statements. Stock recognised in cost of sales during the period as an expenses was £3,822,000 (2015 £4,086,000)

11. Debtors

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	1,196	1,446
Amounts owed by group undertakings	2,346	2,346
Prepayments	64	87
Deferred tax asset (note 8 (d))	682	487
	4,288	4,366

Amounts falling due after more than one year included above relate to deferred tax, 2016: £609,000 (2015: £416,000) and amounts owed by group undertakings, 2016: £2,346,000 (2015: £2,346,000). The amounts owed by group undertakings comprises a loan which is repayable in one instalment on 31 December 2018, and is subject to an agreement that provides for interest at an arm's length variable rate, currently 2.66% pa. Interest income earned on this balance during the year was £63,000 (2015: £53,000).

Notes to the financial statements

at 31 December 2016

12. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	473	432
Corporation tax	159	195
Other taxes and social security costs	220	288
Accruals	400	411
	<u>1,252</u>	<u>1,326</u>

13. Issued share capital

	No.	2016 £	No.	2015 £
<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 2015 and was updated to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2016 and 31 December 2015. The updated valuation as at 31 December 2016 showed a total market value of assets of £23.4 million (2015 – £19.9 million) and a deficit of £7.9 million (2015 – £5.3 million). In order to eliminate the deficit, a new recovery plan was agreed in April 2016. Each employer will pay £27,371 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 2016

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 2016. Scheme assets are stated at their market value as at 31 December 2016.

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

	2016 £000	2015 £000
At the beginning of the year	12,638	12,329
Interest cost	463	441
Actuarial gains/losses	2,848	35
Benefits paid	(254)	(167)
At the end of the year	15,695	12,638

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

	2016 £000	2015 £000
At the beginning of the year	9,967	9,389
Interest income	374	343
Actuarial gains/losses	1,120	(51)
Contributions	514	454
Benefits paid	(254)	(168)
At the end of the year	11,721	9,967

	2016 £000	2015 £000
Fair value of plan assets	11,721	9,967
Present value of plan liabilities	(15,695)	(12,638)
Company's share of the net pension scheme liability	(3,974)	(2,671)

Notes to the financial statements

at 31 December 2016

14. Pensions (continued)

The amounts recognised in profit or loss are as follows:

	2016 £000	2015 £000
Interest	89	98
Total	89	98

The amounts recognised in other comprehensive income are as follows:

	2016 £000	2015 £000
Actual return on plan assets	1,495	292
Less: amounts included in net interest on the net defined benefit liability	(374)	(343)
Remeasurement gains and (losses) – return on plan assets excluding interest	1,121	(51)
Remeasurement (losses) – actuarial losses	(2,848)	(35)
Remeasurement (losses) recognised in other comprehensive income	(1,727)	(86)

The Company expects to contribute £588,000 to its Defined benefit pension scheme deficit in 2017.

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 2016. Scheme assets are stated at their market value at 31 December 2016.

Notes to the financial statements

at 31 December 2016

14. Pensions (continued)

	2016 %	2015 %
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	3.40	3.30
Rate of increase to pensions in payments accrued pre 30 April 2008	2.90	3.20
Discount rate	2.70	3.70
Inflation assumption	3.60	3.40
Revaluation of pensions in deferment (CPI)	2.60	2.40
Post retirement mortality (in years)	in years	in years
Current pensioners at 65 - male	22.1	22.3
Current pensioners at 65 - female	23.7	23.9
Future pensioners at 65 - male	24.1	24.3
Future pensioners at 65 - female	25.9	26.2

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 2016 are:

	2016 Value £000	2015 Value £000
Equities	11,276	13,356
Bonds & Gilts	8,533	2,233
Annuities	3,212	3,010
Cash	422	1,335
Total market value of assets	23,443	19,934
Present value of scheme liabilities	(31,390)	(25,276)
Net pension deficit	(7,947)	(5,342)

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

Notes to the financial statements

at 31 December 2016

15. Other financial commitments

At 31 December 2016 the company had future minimum lease payments due under non-cancellable operating leases as set out below:

	2016		2015	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Lease payments due:				
Within one year	95	28	95	37
In two to five years	285	26	285	19
Over five years	71	-	166	-
	<u>451</u>	<u>54</u>	<u>546</u>	<u>56</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.