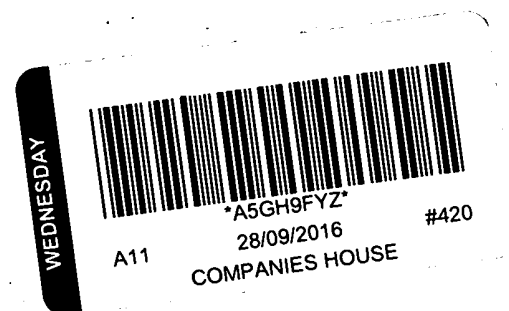


Company Registration No. 00265006 (England and Wales)

**CML INNOVATIVE TECHNOLOGIES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



# CML INNOVATIVE TECHNOLOGIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Unwin Mr M Feavearyear
<b>Company number</b>	00265006
<b>Registered office</b>	70 Eastern Way Bury St Edmunds Suffolk IP32 7AB
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Birmingham United Kingdom
<b>Bankers</b>	National Westminster Bank plc Business and Commercial Banking 7 Cornhill Bury St Edmunds Suffolk IP33 1AX
<b>Solicitors</b>	Ashton KCJ Beacon House 4 Kempson Way Suffolk Business Park Bury St Edmunds Suffolk IP32 7AR

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# **CML INNOVATIVE TECHNOLOGIES LIMITED**

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# **CML INNOVATIVE TECHNOLOGIES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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

This director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### **Principal activities**

Principal activities of the company during the year were the manufacture and marketing of lamp assemblies, added value assemblies and sales of factored lighting products.

The directors have considered the risks and the effect of the current economic environment in its assessment of adopting the going concern basis of preparation in preparing these financial statements particularly surrounding volumes required by customers. In making this assessment, the directors have prepared cash flow forecasts for the foreseeable future which show that the company should be able to manage its working capital and existing resources to enable it to meet its liabilities as they fall due. The directors acknowledge that the impact of the current economic environment, particularly the automotive sector in which the company operates, is uncertain and are managing this uncertainty and its impact on the forecasts on a regular basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The company has also obtained a letter of support from Grupo Antolin Irausa SA in order to gain further comfort over its ability to meet its current liabilities. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

#### **Directors**

The following directors have held office since 1 January 2015 until the date of this report, unless otherwise stated:

Mr M Hemingway	(Resigned 31 May 2015)
Mr C Pritchard	(Resigned 31 March 2016)
Mr D Unwin	(Appointed 31 May 2015)
Mr M Feavearyear	(Appointed 31 March 2016)

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

# **CML INNOVATIVE TECHNOLOGIES LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **Statement of disclosure to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

On behalf of the board

D Unwin 27/09/2016

Mr D Unwin

Director

# **CML INNOVATIVE TECHNOLOGIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CML INNOVATIVE TECHNOLOGIES LIMITED**

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We have audited the financial statements of CML Innovative Technologies Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

The 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, 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

# **CML INNOVATIVE TECHNOLOGIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CML INNOVATIVE TECHNOLOGIES LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from preparing a strategic report or in preparing the directors' report.



**Peter Gallimore FCA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP

**Chartered Accountants and  
Statutory Auditor**

**Birmingham, United Kingdom**

*27 September 2016*

# CML INNOVATIVE TECHNOLOGIES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

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	Notes	2015 £'000	2014 £'000
Turnover	2	3,921	4,736
Cost of sales		(3,176)	(3,494)
<b>Gross profit</b>		<u>745</u>	<u>1,242</u>
Distribution costs		(81)	(87)
Administrative expenses	3	(894)	(1,017)
<b>Operating (loss)/profit</b>	4	<u>(230)</u>	<u>138</u>
Other interest receivable and similar income	5	114	129
Interest payable and similar charges	6	(89)	(65)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(205)</u>	<u>202</u>
Tax on (loss)/profit on ordinary activities	7	(82)	(113)
<b>(Loss)/profit for the year</b>	15	<u><u>(287)</u></u>	<u><u>89</u></u>

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# CML INNOVATIVE TECHNOLOGIES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2015

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	Notes	2015 £'000	2014 £'000
(Loss)/profit for the financial year		(287)	89
Actuarial gain/(loss) on pension scheme	13	709	(1,297)
Movement on deferred tax relating to pension liability		(142)	259
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		280	(949)
		<hr/>	<hr/>

# CML INNOVATIVE TECHNOLOGIES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	8	197	259
<b>Current assets</b>			
Stocks	9	1,062	1,141
Debtors	10	1,427	1,891
Cash at bank and in hand		216	400
		<u>2,705</u>	<u>3,432</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(463)</u>	<u>(412)</u>
<b>Net current assets</b>		<u>2,242</u>	<u>3,020</u>
<b>Total assets less current liabilities</b>		<u>2,439</u>	<u>3,279</u>
<b>Pension scheme liability</b>	13	<u>(2,433)</u>	<u>(3,553)</u>
<b>Net assets/(liabilities)</b>		<u><u>6</u></u>	<u><u>(274)</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	47	47
Other reserves	15	46	46
Profit and loss account	15	<u>(87)</u>	<u>(367)</u>
<b>Shareholders' funds/(deficit)</b>		<u><u>6</u></u>	<u><u>(274)</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 27/09/2016



Mr D. Unwin  
Director

Company Registration No. 00265006

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the smaller companies regime and the Financial Reporting Standard for Smaller Entities (effective January 2015) ('FRSSE') under the historical cost conventions.

##### Pensions

The company operates a defined benefit pension scheme which is now closed and that has fallen into deficit. The company has reached a recovery plan agreement with the Pension Trustees and the Pension Regulator has confirmed they have no objections. Further details in respect of the pension scheme deficit are set out in Note 13.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

##### Going concern

The company's business activities, together with the factors likely to affect the future development, performance and financial position, are set out in the Directors' Report on pages 1 and 2, along with the company's objectives, policies and processes for managing its exposures to financial risk. The directors have considered these risks and the effect of the current economic environment in its assessment of adopting the going concern basis of preparation in preparing these financial statements particularly surrounding volumes required by customers.

In making this assessment, the directors have prepared cash flow forecasts for the foreseeable future which show that the company should be able to manage its working capital and existing resources to enable it to meet its liabilities as they fall due. The directors acknowledge that the impact of the current economic environment, particularly the automotive sector in which the company operates, is uncertain and are managing this uncertainty and its impact on the forecasts on a regular basis.

Further to the above, the company has obtained a letter of support from Grupo Antolin Irausa SA in order to gain further comfort over its ability to meet its current liabilities.

Based on these factors, the directors have prepared these financial statements on the going concern basis.

##### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised at the point goods are dispatched against customer orders.

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	over the term of the lease (regarded to be 5 years)
Plant and machinery	over 3 to 10 years

The carrying value of fixed assets are reviewed in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

#### 1.4 Leasing

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received are receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### 1.5 Stock and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

**Raw materials, consumables and goods for resale** - Purchase cost on a first-in, first-out basis.

**Work in progress and finished goods** - Cost of direct materials and labour plus attributable overheads, based on a normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

(Continued)

##### 1.6 Pensions

###### (a) Defined Contribution Plan

All company employees are offered the opportunity to join the defined contribution scheme (individual money purchase). Not all employees join the scheme. Auto enrolment became a requirement in 2015. The contribution rate is decided by the individual and the company matches their contribution up to 5%. Contributions are charged to the profit and loss account during the period in which the employee is an active member of the scheme. The costs of administering the scheme and providing for death in service are met by the company.

###### (b) Defined Benefit Plan

The company participates in a defined benefit pension scheme, the VCH International Limited Retirement Benefit Plan. The company closed the defined benefit plan to future accrual at 31 July 2004 but the plan continues to require contributions to be made to a separately administered fund.

The pension liability recognised in the balance sheet is the obligation of the employer being the present value of the scheme's liabilities less the value of the assets in the scheme.

The costs and liabilities of the scheme are subject to triennial review with annual updates. A triennial review took place in January 2010. From this review a 'deficit' between the Fund's assets and its liabilities has been indicated. The result of the triennial review was the subject of discussion between the Trustees of the Fund and the company. From this, a recommended monthly payment plan by the company into the Fund was agreed and accepted by The Pension Regulator (£500,000 per annum). The Fund has had another triennial review in January 2013. This has occurred and the continuation of the current level of payment plan is proposed. In addition the costs of administering the scheme and the payment of the Pension Protection Fund levy are met by the company.

The actuarial gains and losses which arise from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are taken to the statement of total recognised gains and losses for the period. The deferred taxation movement attributable for this is shown separately in the Statement of Total Recognised Gains and Losses.

The deferred tax asset related to the defined benefit pension scheme has been recognised and is updated annually. This is included separately within debtors.

##### 1.7 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred tax liabilities and assets, using full provision accounting, otherwise known as the incremental liability method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### 1.8 Foreign currency translation

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

All differences are taken to the profit and loss account.

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 1.9 Development costs

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected the benefit. This period is between three and five years. Provision is made for any impairment.

#### 1.10 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities.

### 2 Turnover

In the year to 31 December 2015 81% (2014 - 84%) of the company's turnover was to markets outside the United Kingdom.

Turnover is attributable to one activity, being the manufacture and marketing of miniature light sources and sales of factored lighting products.

### 3 Exceptional items

The following exceptional items are included within administrative expenses:

	2015 £'000	2014 £'000
Reversal of impairment of intercompany receivables	(192)	(238)

### 4 Operating (loss)/profit

	2015 £'000	2014 £'000
Operating (loss)/profit is stated after charging/(crediting):		
Depreciation of tangible assets	108	105
Loss on foreign exchange transactions	259	284
Operating lease rentals		
- Plant and machinery	12	14
- Other assets	104	99
Fees payable to the company's auditor for the audit of the company's annual accounts	25	25

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

<b>5</b>	<b>Other interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Other interest	114	129
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable and similar charges</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Included in interest payable is the following amount:		
	Net return on pension scheme assets/liabilities	89	65
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Domestic current year tax		
	Deferred tax movement	82	113
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	<b>82</b>	<b>113</b>
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(205)	202
		<u>          </u>	<u>          </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 21.50%)	(41)	43
		<u>          </u>	<u>          </u>
	Effects of:		
	Capital allowances in excess of depreciation	6	5
	Pension adjustments	(79)	(93)
	Income not taxable for tax purposes	(17)	(20)
	Expenses not deductible for tax purposes	-	2
	Movement in provisions	131	63
		<u>          </u>	<u>          </u>
		<b>41</b>	<b>(43)</b>
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>
		<u>          </u>	<u>          </u>

The company has estimated losses of £2,738,944 (2014 - £2,168,165) available for carry forward against future trading profits.

The deferred tax asset has not been recognised since it is uncertain that there will be suitable future taxable profits against which it can be offset.

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Tangible fixed assets

	Leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>			
At 1 January 2015	345	310	655
Additions	3	43	46
At 31 December 2015	348	353	701
<b>Depreciation</b>			
At 1 January 2015	222	174	396
Charge for the year	62	46	108
At 31 December 2015	284	220	504
<b>Net book value</b>			
At 31 December 2015	64	133	197
At 31 December 2014	123	136	259

### 9 Stocks and work in progress

	2015 £'000	2014 £'000
Stocks	1,062	1,141

The directors consider any difference between the purchase prices or production costs of stocks and their replacement cost to be immaterial.

### 10 Debtors

	2015 £'000	2014 £'000
Trade debtors	354	610
Amounts owed by group undertakings	500	479
Prepayments and accrued income	86	91
Deferred tax asset (see note 12)	487	711
	1,427	1,891



# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Creditors: amounts falling due within one year	2015 £'000	2014 £'000
Trade creditors	113	190
Amounts owed to group undertakings	228	37
Taxation and social security	22	29
Other creditors	100	156
	<u>463</u>	<u>412</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Routine trading balances are interest free and amounts considered as loans carry interest at 6%.

## 12 Deferred tax asset

Statement of total recognised gains and losses

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2015 £'000	
Balance at 1 January 2015	(711)	
Profit and loss account	82	
Statement of total recognised gains and losses	142	
	<u>(487)</u>	
Balance at 31 December 2015	<u>(487)</u>	
	2015 £'000	2014 £'000
Other timing differences	<u>(487)</u>	<u>(711)</u>

## 13 Retirement Benefits

### Defined contribution scheme

The pension costs for the defined contribution scheme, which represents contributions payable by the company, amounted to £186,000 (2014: £151,000). At the year end an amount of £nil was included in accruals (2014: £nil).

	2015 £'000	2014 £'000
Contributions payable by the company for the year	<u>186</u>	<u>151</u>

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 13 Retirement Benefits

(Continued)

##### Defined benefit scheme

The company participates in the VCH International Limited Recruitment Benefit Plan (the 'plan'). The plan is closed to new entrants and closed to future accrual from 31 July 2004 and provides benefits based on final pensionable pay. Like many such pension plans, there is a deficit between the current value of the fund and the actuarial calculations of its potential future liabilities.

Due to previous difficult trading circumstances and following a period of no payments into the fund by the company (from September 2008), a recovery plan was agreed between the company, the Pension Fund Trustees and the Pension Regulator.

The recovery plan was based on the most recent actuarial valuation as at 31 December 2009. The recovery plan was based on payments into the fund included in December 2010 of £800,000, generated from the sale of the company's freehold site and a further £500,000 each year (paid monthly) to be commenced from January 2011. The plan will be subject to actuarial review every 3 years.

The major assumptions used by the actuary to calculate scheme liabilities under FRS 17 are best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice. The major assumptions are as follows:

##### Major assumptions:

	2015 %	2014 %	2013 %
Valuation method	Projected Unit	Projected Unit	Projected Unit
Rate of increase in pensions in payment	2.30	2.30	2.60
Mortality rates	S2PACMI_2014	S1PACMI_2011	PCA00mc
Discount rate	3.70	3.40	4.40
Inflation assumption	2.40	2.40	2.80
	=====	=====	=====

##### The long term expected rates of return are as follows:

	2015 %	2014 %	2013 %
Equities	5.60	5.40	6.60
Bonds	2.60	2.40	3.60
Other assets	0.50	0.50	0.50
	=====	=====	=====

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Retirement Benefits

(Continued)

The amounts recognised in the profit and loss are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Included in other finance costs		
Interest on obligation	488	559
Expected return on pension scheme assets	(399)	(494)
	<u>89</u>	<u>65</u>
Actual return on plan assets	<u>189</u>	<u>830</u>

Analysis of amount recognised in the statement of total recognised gains and losses:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actual return less expected return on pension scheme assets	(210)	336
Changes in assumptions underlying the present value of the scheme liabilities	919	(1,633)
	<u>709</u>	<u>(1,297)</u>

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Present value of funded obligations	13,676	14,598
Fair value of plan assets	(11,243)	(11,045)
	<u>2,433</u>	<u>3,553</u>

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Retirement Benefits

(Continued)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening defined benefit obligation	14,598	12,991
Interest cost	488	559
Actuarial (losses) / gains	(919)	1,633
Benefits paid	(491)	(585)
Closing defined benefit obligation	<u>13,676</u>	<u>14,598</u>

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening fair value of plan assets	11,045	10,300
Expected return	399	494
Actuarial (losses) / gains	(210)	336
Contributions by employer	500	500
Benefits paid	(491)	(585)
Closing fair value of plan assets	<u>11,243</u>	<u>11,045</u>

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Retirement Benefits

(Continued)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015 %	2014 %
Equities	45	44
Bonds	51	51
Other assets	4	5
	<u>          </u>	<u>          </u>

The values of the assets in the scheme are as follows:

	2015 £'000	2014 £'000
Equities	5,096	4,840
Bonds	5,744	5,613
Other assets	403	592
	<u>          </u>	<u>          </u>
Total market value of assets	11,243	11,045
Present value of scheme liabilities	(13,676)	(14,598)
	<u>          </u>	<u>          </u>
Deficit in scheme	(2,433)	(3,553)
	<u>          </u>	<u>          </u>
Net pension liability	(2,433)	(3,553)
	<u>          </u>	<u>          </u>

Movement in deficit during the year:

	2015 £'000	2014 £'000
Deficit in scheme at 1 January 2015	(3,553)	(2,691)
Other finance costs	(89)	(65)
Contributions made	500	500
Actuarial gains / (losses)	709	(1,297)
	<u>          </u>	<u>          </u>
Deficit in scheme at 31 December 2015	(2,433)	(3,553)
	<u>          </u>	<u>          </u>

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Retirement Benefits

(Continued)

#### History of surplus/(deficit) in the scheme and experience adjustments

Amounts for the current and previous four periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(13,676)	(14,598)	(12,991)	(12,744)	(11,930)
Plan assets	11,243	11,045	10,300	9,706	9,172
Deficit	(2,433)	(3,553)	(2,691)	(3,038)	(2,758)
Experience adjustments on plan assets	(210)	336	230	194	196

### 14 Share capital

2015

2014

£'000

£'000

#### Allotted, called up and fully paid

940,188 Ordinary shares of 5p each

47

47

### 15 Statement of movements on reserves

	Other reserves (see below) £'000	Profit and loss account £'000
Balance at 1 January 2015	46	(367)
Loss for the year	-	(287)
Actuarial gains or losses on pension scheme assets	-	709
Movement on deferred tax relating to pension asset	-	(142)
Balance at 31 December 2015	46	(87)
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 January 2015 & at 31 December 2015	46	

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### 16 Financial commitments

At 31 December 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

	2015 £'000	2014 £'000
Operating leases which expire:		
Within one year	141	103
Between two and five years	510	12
	<u>651</u>	<u>115</u>

### 17 Directors' remuneration

	2015 £'000	2014 £'000
Remuneration for qualifying services	129	178
Company pension contributions to defined contribution schemes	42	21
	<u>171</u>	<u>199</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 2).

### 18 Control

At 31 December 2015 the ultimate parent company was Grupo Antolin Irausa SA, a company incorporated in Spain.

The directors consider Grupo Antolin Irausa SA to be the controlling party by virtue of its controlling interest in the parent company's share capital.

The immediate holding company, the parent company of the smallest group of undertakings of which the company is a member, is Broomco (3051) Limited.

# CML INNOVATIVE TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 19 Related party relationships and transactions

At 31 December 2015 there were the following balances with related parties:

	Loan debtor 2015 £'000	Loan creditor 2015 £'000	Loan debtor 2014 £'000	Loan creditor 2014 £'000
CML Besancon	5	(7)	10	4
CML Bad Durkheim	17	(7)	34	(10)
CML Bamberg	-	-	52	(23)
AP - loan interest GA Irausa	-	(3)	-	-
Loan GA Irausa	-	(199)	-	-
GA Irausa SA	-	(12)	-	(8)
Guanzhou Socop	-	-	3	-
Broomco (3051) Limited	3	-	3	-
Recharges for CML Bad Durkheim	1	-	-	-
Alba	1,970	-	2,090	-
Alba - provision for bad debt	(1,970)	-	(2,090)	-
Alba - loan interest	1,664	-	1,640	-
Alba - loan interest bad debt provision	(1,191)	-	(1,263)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>