

Concord Limited  
Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 December 2015

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**for the Year Ended 31 December 2015**

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**Company Information**  
**for the Year Ended 31 December 2015**

<b>DIRECTORS:</b>	S P Murphy Stratagem Group Limited
<b>SECRETARY:</b>	S P Murphy
<b>REGISTERED OFFICE:</b>	Cardiff House Cardiff Road Barry Glamorgan CF63 2AW
<b>REGISTERED NUMBER:</b>	00775443 (England and Wales)
<b>AUDITORS:</b>	Mander Duffill Chartered Accountants & Registered Auditors 65 St Mary Street Chippenham Wiltshire SN15 3JF

**Group Strategic Report**  
**for the Year Ended 31 December 2015**

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

**REVIEW OF BUSINESS**

The results for the year and financial position of the group and company are as shown in the annexed financial statements.

2015 was a very difficult year for the group with a marked downturn in orders from April onwards particularly in our steel foundry, HI Quality Steel Castings Limited (HIQ). Group sales were down 22% on 2014 reflecting much lower order intake from all markets but especially mining where activity has practically come to a halt. This unprecedented fall-off in demand has necessitated some difficult decisions and in December, in order to reduce costs, we ceased production at HIQ's satellite operation in Sheffield with the loss of 55 jobs. The site is now on the market. Our iron foundry, BAS Castings Limited (BAS) has also suffered but to a lesser extent and has had to make 20 redundancies.

We had seen a reduction in demand during 2014 with correspondingly reduced performance but the contraction in all markets during 2015 is the worst our local management have experienced. The one positive we can take from this situation is that customers have not abandoned us it is simply that overall activity in our markets is markedly lower. Our efforts have been focussed on breaking into new markets to replace our traditional work; while we are having some success with this the benefits of widening our offering are taking time to pay off.

The FRS 102 (formerly FRS 17) position at the end of 2015 shows a significant reduction in the pension liability, down by about £3.2 million gross or £2.5 million net of deferred tax. This is also the first year in which the group has adopted FRS 102 and the main effect is that pension charges now include the costs of running the scheme; accordingly 2014 is restated to move £305,000 from the Statement of Total Recognised Gains and Losses into the profit and loss account.

A reduction in the accounting liability is welcome but the pension scheme is still the biggest challenge facing the business. With operating performance now severely diminished it is much more difficult for us to meet the schedule of contributions agreed with the Scheme Trustee in 2013. We have discussed the current position in some depth with the Trustee and have agreed a new schedule of contributions, effective from 1 July 2016, which we believe is affordable for the group in its new state and which will give us sufficient time to improve results in the group's foundries. The revised schedule expects us to restart contributions at previously agreed levels within 3 years of 1 July 2016 and allows for increases in contributions if performance improves earlier than expected.

**PRINCIPAL RISKS AND UNCERTAINTIES**

We manufacture high integrity steel and iron castings for all engineering markets but are focussed on low volume specialist OEMs rather than, for example, the automotive market; extraction industries, coal mining and offshore, are a particular niche for us. As we mention above we are exploring new markets and have invested in people and technology to address them; however there is no guarantee that this will lead to additional sales and there is of course uncertainty as to when our traditional markets will return.

**DEVELOPMENT**

The measures we started to undertake during 2013 to address the fall in demand, namely by pursuing new markets and ensuring we have the necessary skills and formal standards approvals to satisfy them, continue.

**YEAR END POSITION**

The significant losses in HIQ and reduced performance at BAS have certainly made our financial position more difficult and we are reliant on a new lower contribution schedule with the pension scheme to ensure we can continue. However the actions we have taken will enable us to benefit from the new markets we are exploring and to respond to increases in demand as and when they arise. Our expectation for the next 12 months is to break even before pension charges.

**Group Strategic Report**  
**for the Year Ended 31 December 2015**

**KEY PERFORMANCE INDICATORS**

The principal indicators to measure the performance at a Group and subsidiary level in the past twelve months are order intake and cash generation. There are very detailed key performance indicators at an operating level and these are monitored accordingly.

**ON BEHALF OF THE BOARD:**

  
.....  
S P Murphy - Director

Date: 21/3/2016

**Report of the Directors**  
**for the Year Ended 31 December 2015**

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

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of a holding company.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

S P Murphy  
Stratagem Group Limited

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
S P Murphy - Director

Date: 21/9/2016 .....

**Report of the Independent Auditors to the Members of**  
**Concord Limited**

We have audited the financial statements of Concord Limited for the year ended 31 December 2015 on pages seven to twenty eight. 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 Financial Reporting Standard 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of**  
**Concord Limited**

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard L Mander (Senior Statutory Auditor)  
for and on behalf of Mander Duffill  
Chartered Accountants & Registered Auditors  
65 St Mary Street  
Chippenham  
Wiltshire  
SN15 3JF

Date: 21.09.2016



**Concord Limited****Consolidated Statement of Comprehensive Income  
for the Year Ended 31 December 2015**

	Notes	31.12.15 £'000	£'000	31.12.14 £'000	£'000
<b>TURNOVER</b>			17,292		21,763
Cost of sales			<u>13,909</u>		<u>16,922</u>
<b>GROSS PROFIT</b>			3,383		4,841
Administrative expenses			<u>3,768</u>		<u>3,779</u>
			(385)		1,062
Other operating income	2		<u>11</u>		<u>11</u>
<b>OPERATING (LOSS)/PROFIT</b>	5		(374)		1,073
Interest payable and similar charges	6	-		4	
Other finance costs	20	<u>821</u>		<u>816</u>	
			<u>821</u>		<u>820</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(1,195)		253
Tax on (loss)/profit on ordinary activities	7		<u>(171)</u>		<u>127</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>			(1,024)		126
<b>OTHER COMPREHENSIVE INCOME</b>					
Actuarial gains/(losses)			2,817		(3,630)
Deferred tax movement			(563)		683
Income tax relating to components of other comprehensive income			<u>-</u>		<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>			<u>2,254</u>		<u>(2,947)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>1,230</u>		<u>(2,821)</u>
Profit/(loss) attributable to: Owners of the parent			<u>(1,024)</u>		<u>126</u>
Total comprehensive income attributable to: Owners of the parent			<u>1,230</u>		<u>(2,821)</u>

The notes form part of these financial statements

**Consolidated Balance Sheet**  
**31 December 2015**

	Notes	31.12.15 £'000	£'000	31.12.14 £'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	9		(144)		(155)
Tangible assets	10		2,105		2,257
Investments	11		-		-
			1,961		2,102
<b>CURRENT ASSETS</b>					
Stocks	12	1,099		2,257	
Debtors	13	3,055		4,915	
Cash in hand		1,042		2,584	
		5,196		9,756	
<b>CREDITORS</b>					
Amounts falling due within one year	14	3,118		6,507	
<b>NET CURRENT ASSETS</b>			2,078		3,249
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,039		5,351
<b>PROVISIONS FOR LIABILITIES</b>	17		(11)		(22)
<b>PENSION LIABILITY</b>	20		(8,429)		(10,960)
<b>NET LIABILITIES</b>			(4,401)		(5,631)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		1,969		1,969
Share premium	19		14,611		14,611
Revaluation reserve	19		839		839
Other reserves	19		879		879
Retained earnings	19		(22,699)		(23,929)
<b>SHAREHOLDERS' FUNDS</b>			(4,401)		(5,631)

The financial statements were approved by the Board of Directors on 21/3/2016 and were signed on its behalf by:

  
S P Murphy - Director

**Company Balance Sheet**  
**31 December 2015**

	Notes	31.12.15 £'000	£'000	31.12.14 £'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		1,814		1,833
Investments	11		<u>865</u>		<u>865</u>
			2,679		2,698
<b>CURRENT ASSETS</b>					
Debtors	13	22		16	
Cash at bank		<u>261</u>		<u>1,587</u>	
		283		1,603	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>2,847</u>		<u>3,419</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,564)</u>		<u>(1,816)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			115		882
<b>PENSION LIABILITY</b>	20		<u>(8,429)</u>		<u>(10,960)</u>
<b>NET LIABILITIES</b>			<u>(8,314)</u>		<u>(10,078)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		1,969		1,969
Share premium	19		14,611		14,611
Revaluation reserve	19		573		573
Other reserves	19		879		879
Retained earnings	19		<u>(26,346)</u>		<u>(28,110)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(8,314)</u>		<u>(10,078)</u>

The financial statements were approved by the Board of Directors on 21/3/2016 and were signed on its behalf by:

  
S P Murphy - Director

**Consolidated Statement of Changes in Equity**  
**for the Year Ended 31 December 2015**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
<b>Balance at 1 January 2014</b>	1,969	(21,108)	14,611
<b>Changes in equity</b>			
Total comprehensive income	-	(2,821)	-
<b>Balance at 31 December 2014</b>	<u>1,969</u>	<u>(23,929)</u>	<u>14,611</u>
<b>Changes in equity</b>			
Total comprehensive income	-	1,230	-
<b>Balance at 31 December 2015</b>	<u>1,969</u>	<u>(22,699)</u>	<u>14,611</u>
	Revaluation reserve £'000	Other reserves £'000	Total equity £'000
<b>Balance at 1 January 2014</b>	839	879	(2,810)
<b>Changes in equity</b>			
Total comprehensive income	-	-	(2,821)
<b>Balance at 31 December 2014</b>	<u>839</u>	<u>879</u>	<u>(5,631)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	-	1,230
<b>Balance at 31 December 2015</b>	<u>839</u>	<u>879</u>	<u>(4,401)</u>

**Company Statement of Changes in Equity**  
**for the Year Ended 31 December 2015**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
<b>Balance at 1 January 2014</b>	1,969	(24,215)	14,611
<b>Changes in equity</b>			
Total comprehensive income	-	(3,895)	-
<b>Balance at 31 December 2014</b>	1,969	(28,110)	14,611
<b>Changes in equity</b>			
Total comprehensive income	-	1,764	-
<b>Balance at 31 December 2015</b>	1,969	(26,346)	14,611
	Revaluation reserve £'000	Other reserves £'000	Total equity £'000
<b>Balance at 1 January 2014</b>	573	879	(6,183)
<b>Changes in equity</b>			
Total comprehensive income	-	-	(3,895)
<b>Balance at 31 December 2014</b>	573	879	(10,078)
<b>Changes in equity</b>			
Total comprehensive income	-	-	1,764
<b>Balance at 31 December 2015</b>	573	879	(8,314)

**Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2015**

	Notes	31.12.15 £'000	31.12.14 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(624)	(2,915)
Interest paid		-	(4)
Taxation refund		<u>-</u>	<u>110</u>
Net cash from operating activities		<u>(624)</u>	<u>(2,809)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(27)	(89)
Sale of tangible fixed assets		<u>-</u>	<u>3</u>
Net cash from investing activities		<u>(27)</u>	<u>(86)</u>
 <b>Cash flows from financing activities</b>			
Loan repayments in year		-	(73)
Share issue		<u>-</u>	<u>1,969</u>
Net cash from financing activities		<u>-</u>	<u>1,896</u>
 <b>Decrease in cash and cash equivalents</b>		 (651)	 (999)
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,782</u>	<u>1,980</u>
 <b>Cash and cash equivalents at end of year</b>	2	 <u><u>1,042</u></u>	 <u><u>1,782</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2015**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.15	31.12.14
	£'000	£'000
(Loss)/profit before taxation	(1,195)	253
Depreciation charges	179	174
Loss on disposal of fixed assets	-	2
Goodwill amortisation	(11)	(11)
and cash contributions	(1,168)	(1,130)
Finance costs	<u>821</u>	<u>820</u>
	(1,374)	108
Decrease/(increase) in stocks	1,158	(2,257)
Decrease/(increase) in trade and other debtors	1,851	(4,621)
(Decrease)/increase in trade and other creditors	<u>(2,259)</u>	<u>3,855</u>
<b>Cash generated from operations</b>	<u><u>(624)</u></u>	<u><u>(2,915)</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2015**

	31.12.15	1.1.15
	£'000	£'000
Cash and cash equivalents	1,042	2,584
Bank overdrafts	<u>-</u>	<u>(802)</u>
	<u><u>1,042</u></u>	<u><u>1,782</u></u>

**Year ended 31 December 2014**

	31.12.14	1.1.14
	£'000	£'000
Cash and cash equivalents	2,584	2,354
Bank overdrafts	<u>(802)</u>	<u>(374)</u>
	<u><u>1,782</u></u>	<u><u>1,980</u></u>

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 31 December 2015**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The impact of adopting FRS102 for the first time has been the impact on the defined benefit scheme relating to the new accounting standards.

The directors have assessed the deferred tax impact in relation to the properties. However, as the company has brought forward capital losses, no adjustment has been made to the accounts for the deferred tax on the properties.

**Basis of consolidation**

The financial statements have been prepared, for the first time for the year ended 31 December 2014, in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently is set out below.

The prior year has been restated for comparative purposes.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is made up of revenue earned from the sale of goods.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of forty five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant and machinery	- 15% on cost
Office equipment	- 33% on cost, 25% on cost and 20% on cost

**Stocks**

Stocks and work in progress are valued at the lower of cost and selling price less costs to complete and sell. Cost is determined on a first-in first-out basis. The cost of the work in progress comprises of materials, direct labour and attributable production overheads.

**Deferred tax**

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

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying differences.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**1. ACCOUNTING POLICIES - continued**

The Company is the principal employer in respect of a defined benefit pension scheme. The Scheme was closed to new entrants in 2000 and the last of the active members left the Scheme in August 2002. The amount charged to operating profit in respect of this Scheme is the current service cost, and gains and losses on settlements and curtailments and is included as part of staff costs. Past service costs are included in the profit and loss account if the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are shown as a net amount of other finance costs or credits within interest payable. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded with the assets of the Scheme held separately from the Company in separate trustee administered funds. Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of deferred tax, is presented separately after other net assets on the face of the balance sheet.

**2. OTHER OPERATING INCOME**

	31.12.15	31.12.14
	£'000	£'000
Goodwill amortisation	<u>11</u>	<u>11</u>

**3. STAFF COSTS**

The average monthly number of employees during the year was as follows:

	31.12.15	31.12.14
Works	154	184
Sales and administration	<u>39</u>	<u>47</u>
	<u>193</u>	<u>231</u>

	31.12.15	31.12.14
	£'000	£'000
Wages and salaries	5,293	6,278
Social security costs	414	492
Other pension costs	<u>211</u>	<u>266</u>
	<u>5,918</u>	<u>7,037</u>

**4. DIRECTORS' EMOLUMENTS**

The amounts in respect of the highest paid director are emoluments of £75,000 (2014: (£75,000) and pension contributions of £4,875 (2014: £4,875).

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2015**

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2014 - operating profit) is stated after charging/(crediting):

	31.12.15	31.12.14
	£'000	£'000
Other operating leases	29	29
Depreciation - owned assets	179	173
Loss on disposal of fixed assets	-	2
Goodwill amortisation	(11)	(11)
Auditors' remuneration	31	29
Auditors' remuneration for non audit work	5	5
Foreign exchange differences	(221)	(202)
Property leasing cost	<u>55</u>	<u>55</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.15	31.12.14
	£'000	£'000
Bank interest	<u>-</u>	<u>4</u>

**7. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	31.12.15	31.12.14
	£'000	£'000
Deferred tax	<u>(171)</u>	<u>127</u>
Tax on (loss)/profit on ordinary activities	<u>(171)</u>	<u>127</u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15	31.12.14
	£'000	£'000
(Loss)/profit on ordinary activities before tax	<u>(1,195)</u>	<u>253</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	(239)	51
Effects of:		
Expenses not deductible for tax purposes	164	207
Depreciation in excess of capital allowances	16	-
Allowable deduction - pension contributions	(234)	(226)
Losses carried forward	293	-
R&D enhanced expenditure	-	(32)
FRS102 - Deferred tax on pension movements	69	-
Timing differences	<u>(240)</u>	<u>127</u>
Total tax (credit)/charge	<u>(171)</u>	<u>127</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**7. TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	31.12.15		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial gains/(losses)	2,817	-	2,817
Deferred tax movement	<u>(563)</u>	<u>-</u>	<u>(563)</u>
	<u>2,254</u>	<u>-</u>	<u>2,254</u>

  

	31.12.14		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial gains/(losses)	(3,630)	-	(3,630)
Deferred tax movement	<u>683</u>	<u>-</u>	<u>683</u>
	<u>(2,947)</u>	<u>-</u>	<u>(2,947)</u>

**8. LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £490,000 (2014 - £948,000 loss)

**9. INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £'000
<b>COST</b>	
At 1 January 2015	
and 31 December 2015	<u>(266)</u>
<b>AMORTISATION</b>	
At 1 January 2015	(111)
Amortisation for year	<u>(11)</u>
At 31 December 2015	<u>(122)</u>
<b>NET BOOK VALUE</b>	
At 31 December 2015	<u>(144)</u>
At 31 December 2014	<u>(155)</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

10. **TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
<b>COST</b>					
At 1 January 2015	1,870	4,303	20	254	6,447
Additions	-	27	-	-	27
Disposals	-	(3,360)	-	(185)	(3,545)
At 31 December 2015	<u>1,870</u>	<u>970</u>	<u>20</u>	<u>69</u>	<u>2,929</u>
<b>DEPRECIATION</b>					
At 1 January 2015	48	3,874	20	248	4,190
Charge for year	30	149	-	-	179
Eliminated on disposal	-	(3,360)	-	(185)	(3,545)
At 31 December 2015	<u>78</u>	<u>663</u>	<u>20</u>	<u>63</u>	<u>824</u>
<b>NET BOOK VALUE</b>					
At 31 December 2015	<u>1,792</u>	<u>307</u>	<u>-</u>	<u>6</u>	<u>2,105</u>
At 31 December 2014	<u>1,822</u>	<u>429</u>	<u>-</u>	<u>6</u>	<u>2,257</u>

**Company**

	Freehold property £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
<b>COST OR VALUATION</b>				
At 1 January 2015 and 31 December 2015	<u>1,870</u>	<u>20</u>	<u>2</u>	<u>1,892</u>
<b>DEPRECIATION</b>				
At 1 January 2015	37	20	2	59
Charge for year	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>
At 31 December 2015	<u>56</u>	<u>20</u>	<u>2</u>	<u>78</u>
<b>NET BOOK VALUE</b>				
At 31 December 2015	<u>1,814</u>	<u>-</u>	<u>-</u>	<u>1,814</u>
At 31 December 2014	<u>1,833</u>	<u>-</u>	<u>-</u>	<u>1,833</u>

The company's properties are now subject to a second charge, after the company's bankers, in favour of the pension trustee.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2015**

**10. TANGIBLE FIXED ASSETS - continued**

**Company**

Cost or valuation at 31 December 2015 is represented by:

	Freehold property £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
Valuation in 2004	661	-	-	661
Valuation in 2005	69	-	-	69
Valuation in 2007	255	-	-	255
Valuation in 2009	(345)	-	-	(345)
Valuation in 2012	(235)	-	-	(235)
Cost	<u>1,465</u>	<u>20</u>	<u>2</u>	<u>1,487</u>
	<u>1,870</u>	<u>20</u>	<u>2</u>	<u>1,892</u>

Freehold property was valued on an open market value basis on 31 December 2012 by Jones Lang Lasalle.

**11. FIXED ASSET INVESTMENTS**

**Group**

Shares in  
group  
undertakings  
£'000

**COST**

At 1 January 2015  
and 31 December 2015

6,432

**PROVISIONS**

At 1 January 2015  
and 31 December 2015

6,432

**NET BOOK VALUE**

At 31 December 2015

-

At 31 December 2014

-

**Company**

Shares in  
group  
undertakings  
£'000

**COST**

At 1 January 2015  
and 31 December 2015

6,165

**PROVISIONS**

At 1 January 2015  
and 31 December 2015

5,300

**NET BOOK VALUE**

At 31 December 2015

865

At 31 December 2014

865

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**11. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****North Midlands Castings Limited**

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

**BAS Castings Limited**

Nature of business: Castings

	%
Class of shares:	holding
Ordinary	100.00

**HI Quality Steel Castings Limited**

Nature of business: Castings

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary undertakings listed are those which have continuing operations. Dormant companies are not listed.

**12. STOCKS**

	<b>Group</b>	
	31.12.15	31.12.14
	£'000	£'000
Raw materials	691	1,034
Work-in-progress	408	1,223
	<u>1,099</u>	<u>2,257</u>

The company purchases, produces and sells these items on to customers.

Stock recognised in cost of sales during the year as an expenses was £7,227k (2014: £8,495k).

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.15	31.12.14	31.12.15	31.12.14
	£'000	£'000	£'000	£'000
Trade debtors	2,550	4,514	21	12
Other debtors	98	164	-	3
Deferred taxation	229	-	-	-
Prepayments	178	237	1	1
	<u>3,055</u>	<u>4,915</u>	<u>22</u>	<u>16</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.15	31.12.14	31.12.15	31.12.14
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	-	802	-	-
Trade creditors	1,549	3,565	26	15
Amounts owed to group undertakings	112	444	2,336	2,865
Social security and other taxes	284	221	6	6
VAT	6	-	6	-
Other creditors	621	751	471	533
Accruals and deferred income	<u>546</u>	<u>724</u>	<u>2</u>	<u>-</u>
	<u><u>3,118</u></u>	<u><u>6,507</u></u>	<u><u>2,847</u></u>	<u><u>3,419</u></u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	31.12.15	31.12.14
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	<u><u>-</u></u>	<u><u>802</u></u>

**16. SECURED DEBTS**

These debts are secured by a first legal charge in favour of Barclays Bank Plc.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**17. PROVISIONS FOR LIABILITIES**

The deferred tax liability/(asset) provided and unprovided is set out below.

	Provided		Unprovided	
	31.12.15	31.12.14	31.12.15	31.12.14
	£'000	£'000	£'000	£'000
Accelerated capital allowances	11	22	(4)	(4)
Other timing differences	(2,107)	(2,740)	-	-
Less:				
Tax losses carried forward	<u>(229)</u>	<u>-</u>	<u>(253)</u>	<u>(189)</u>
	<u><u>(2,325)</u></u>	<u><u>(2,718)</u></u>	<u><u>(257)</u></u>	<u><u>(193)</u></u>

The deferred taxation is provided are analysed below and are recognised where referred to in the relevant notes;

	Total £'000	Liability £'000	Asset £'000
Balance at 1 January 2015	(2,718)	22	(2,740)
Profit and loss account	(240)	(11)	(229)
Tax on actuarial gain/(loss)	<u>633</u>	<u>-</u>	<u>633</u>
Deferred taxation liability/(asset) at 31 December 2015	<u><u>(2,325)</u></u>	<u><u>11</u></u>	<u><u>(2,336)</u></u>

The deferred taxation asset is set off against the pension liability as required by FRS102.

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.15 £'000	31.12.14 £'000
19,690,554	Ordinary	10p	<u>1,969</u>	<u>1,969</u>

All shares rank pari passu.

**19. RESERVES**

**Group**

	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2015	(23,929)	14,611	839	879	(7,600)
Deficit for the year	(1,024)				(1,024)
Actuarial gain/(loss)	<u>2,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,254</u>
At 31 December 2015	<u><u>(22,699)</u></u>	<u><u>14,611</u></u>	<u><u>839</u></u>	<u><u>879</u></u>	<u><u>(6,370)</u></u>



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**19. RESERVES - continued**

**Company**

	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2015	(28,110)	14,611	573	879	(12,047)
Deficit for the year	(490)				(490)
Actuarial gain/(loss)	<u>2,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,254</u>
At 31 December 2015	<u>(26,346)</u>	<u>14,611</u>	<u>573</u>	<u>879</u>	<u>(10,283)</u>

**20. EMPLOYEE BENEFIT OBLIGATIONS**

The Concord Plc Retirement Benefits Scheme ("the Scheme") was closed to new members with effect from 1 April 2000, and to future benefit accrual from the same date. All remaining active members left the scheme at 1 September 2002 so the Scheme is left with only deferred members and pensioners. The Scheme is funded with the assets being held by the Trustees separately from the assets of the company. Pension costs are determined in accordance with advice of a professionally qualified actuary.

An actuarial valuation of the Concord Plc Retirement Benefit Scheme was carried out as at 5 April 2015 by Towers Watson LLP Limited using the projected unit method, and an update was carried out at 31 December 2015 under the assumptions prescribed in Financial Reporting Standard 102. The company pension contributions for the year were £1,168,000 (2014: £1,130,000). The outstanding deficit in the funding of the Scheme at the year end was £10,536,000 (2014: £13,700,000). No additional contributions were paid in respect of Scheme expenses.

The actuarial valuation as at 5 April 2015 has now been concluded and the Trustees of the Scheme and the Company have agreed a new contribution schedule to acknowledge the difficult commercial conditions the group is experiencing. Accordingly the schedule of contributions agreed as at 5 April 2012 remains in place but has been amended to reflect a contribution holiday from 1 July to 31 December 2016, a reduction for calendar 2017 to £500,000 pa. and a reduction for calendar 2018 to £750,000 pa. The Company is committed to following the established schedule of contributions thereafter.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.12.15 £'000	31.12.14 £'000
Past service cost	-	-
Interest cost	1,410	1,590
Expected return	(1,006)	(1,079)
Scheme expenses incurred	<u>417</u>	<u>305</u>
	<u>821</u>	<u>816</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2015**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.12.15	31.12.14
	£'000	£'000
Opening defined benefit obligation	42,421	36,396
Interest cost	1,410	1,590
Actuarial losses/(gains)	(3,600)	5,635
Benefits paid	<u>(1,400)</u>	<u>(1,200)</u>
	<u>38,831</u>	<u>42,421</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.15	31.12.14
	£'000	£'000
Opening fair value of scheme assets	28,721	26,012
Contributions by employer	1,168	1,130
Scheme expenses incurred	(417)	(305)
Expected return	1,423	1,079
Actuarial gains/(losses)	(1,200)	2,005
Benefits paid	<u>(1,400)</u>	<u>(1,200)</u>
	<u>28,295</u>	<u>28,721</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.15	31.12.14
	£'000	£'000
Actuarial gains/(losses)	<u>2,817</u>	<u>(3,630)</u>
	<u>2,817</u>	<u>(3,630)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.15	31.12.14
	£'000	£'000
Equities	16,101	16,993
Bonds	12,078	11,529
Cash & NCA	<u>116</u>	<u>199</u>
	<u>28,295</u>	<u>28,721</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.15	31.12.14
Discount rate	3.70%	3.40%
Future pension increases	3.60%	3.60%
Inflation rate (RPI)	2.70%	2.90%
Inflation rate (CPI)	1.70%	1.90%
Rate of increase for deferred pensioners	1.70%	1.90%

**21. ULTIMATE PARENT COMPANY**

The immediate parent company of this company is Stratagem Group Limited, a company registered in England and Wales. The UK parent undertaking for which consolidated accounts have been prepared at 31 December 2015 is Ryder Court Investments Limited, a company registered in England and Wales. The ultimate parent company is Prayer Investments Limited, a company registered in Cyprus.

Prayer Investments Limited resigned as a director of the company on 1 May 2016. The ultimate controlling party is now Mr S P Murphy.

**22. CONTINGENT LIABILITIES**

The company is involved in the Value Added Tax Group election under s29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31 December 2015 tax owed by the group was £147,280 (31 December 2014: £13,899 owed to the group).

The company together with other group undertakings are also part of an agreement with Barclays Bank Plc, whereby balances with the bank are subject to joint and several guarantees. The net aggregated borrowings at 31 December 2015 subject to this agreement amounted to nil (31 December 2014: £801,547). The bank has a fixed and floating charge over all of the company's assets.

**23. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Reconciliation of Equity**  
**1 January 2014**  
**(Date of Transition to FRS 102)**

	Notes	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
<b>FIXED ASSETS</b>				
Intangible assets		(166)	-	(166)
Tangible assets		<u>2,346</u>	<u>-</u>	<u>2,346</u>
		<u>2,180</u>	<u>-</u>	<u>2,180</u>
<b>CURRENT ASSETS</b>				
Stocks		1,762	-	1,762
Debtors		4,068	-	4,068
Cash in hand		<u>2,354</u>	<u>-</u>	<u>2,354</u>
		<u>8,184</u>	<u>-</u>	<u>8,184</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(4,952)</u>	<u>-</u>	<u>(4,952)</u>
<b>NET CURRENT ASSETS</b>		<u>3,232</u>	<u>-</u>	<u>3,232</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,412	-	5,412
<b>PROVISIONS FOR LIABILITIES</b>		(19)	-	(19)
<b>PENSION LIABILITY</b>		<u>(8,203)</u>	<u>-</u>	<u>(8,203)</u>
<b>NET LIABILITIES</b>		<u>(2,810)</u>	<u>-</u>	<u>(2,810)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1,969	-	1,969
Share premium		14,611	-	14,611
Revaluation reserve		839	-	839
Other reserves		879	-	879
Retained earnings		<u>(21,108)</u>	<u>-</u>	<u>(21,108)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(2,810)</u>	<u>-</u>	<u>(2,810)</u>

**Reconciliation of Equity - continued**  
**31 December 2014**

	Notes	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
<b>FIXED ASSETS</b>				
Intangible assets		(155)	-	(155)
Tangible assets		<u>2,257</u>	<u>-</u>	<u>2,257</u>
		<u>2,102</u>	<u>-</u>	<u>2,102</u>
<b>CURRENT ASSETS</b>				
Stocks		2,257	-	2,257
Debtors		4,915	-	4,915
Cash in hand		<u>2,584</u>	<u>-</u>	<u>2,584</u>
		<u>9,756</u>	<u>-</u>	<u>9,756</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(6,507)</u>	<u>-</u>	<u>(6,507)</u>
<b>NET CURRENT ASSETS</b>		<u>3,249</u>	<u>-</u>	<u>3,249</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,351	-	5,351
<b>PROVISIONS FOR LIABILITIES</b>		(22)	-	(22)
<b>PENSION LIABILITY</b>		<u>(10,960)</u>	<u>-</u>	<u>(10,960)</u>
<b>NET LIABILITIES</b>		<u>(5,631)</u>	<u>-</u>	<u>(5,631)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1,969	-	1,969
Share premium		14,611	-	14,611
Revaluation reserve		839	-	839
Other reserves		879	-	879
Retained earnings		<u>(23,929)</u>	<u>-</u>	<u>(23,929)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(5,631)</u>	<u>-</u>	<u>(5,631)</u>

**Reconciliation of Profit**  
**for the Year Ended 31 December 2014**

	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
<b>TURNOVER</b>	21,763	-	21,763
Cost of sales	<u>(16,922)</u>	<u>-</u>	<u>(16,922)</u>
<b>GROSS PROFIT</b>	4,841	-	4,841
Administrative expenses	(3,779)	-	(3,779)
Other operating income	<u>11</u>	<u>-</u>	<u>11</u>
<b>OPERATING PROFIT</b>	1,073	-	1,073
Interest payable and similar charges	(4)	-	(4)
Other finance costs	<u>(511)</u>	<u>(305)</u>	<u>(816)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	558	(305)	253
Tax on profit on ordinary activities	<u>(127)</u>	<u>-</u>	<u>(127)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>431</u>	<u>(305)</u>	<u>126</u>
Profit attributable to:			
Owners of the parent	<u>431</u>	<u>(305)</u>	<u>126</u>