

REGISTERED NUMBER: 01408896 (England and Wales)

SPECIALTY COATING SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER



SPECIALTY COATING SYSTEMS LIMITED

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for the year ended 31 December 2016

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SPECIALTY COATING SYSTEMS LIMITED

COMPANY INFORMATION
for the year ended 31 December 2016

DIRECTORS:

T E Bush
D Ellis
T Itami

SECRETARY:

Vistra Registrars (UK) Ltd

REGISTERED OFFICE:

Unit A1 Kingswey
Business Park
Forsyth Road
WOKING
Surrey
GU21 5SA

REGISTERED NUMBER:

01408896 (England and Wales)

AUDITORS:

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

SPECIALTY COATING SYSTEMS LIMITED (REGISTERED NUMBER: 01408896)

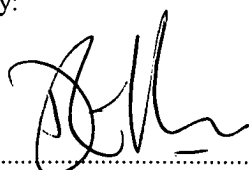
BALANCE SHEET
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	933,967	1,095,463
Investments	5	<u>515,625</u>	<u>515,625</u>
		1,449,592	1,611,088
CURRENT ASSETS			
Stocks		158,383	156,663
Debtors	6	943,918	693,321
Cash at bank and in hand		<u>1,259,598</u>	<u>779,939</u>
		2,361,899	1,629,923
CREDITORS			
Amounts falling due within one year	7	<u>284,682</u>	<u>274,854</u>
NET CURRENT ASSETS		<u>2,077,217</u>	<u>1,355,069</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,526,809	2,966,157
PROVISIONS FOR LIABILITIES	9	<u>32,179</u>	<u>-</u>
NET ASSETS		<u>3,494,630</u>	<u>2,966,157</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,122,501	2,122,501
Share premium	11	400	400
Retained earnings	11	<u>1,371,729</u>	<u>843,256</u>
SHAREHOLDERS' FUNDS		<u>3,494,630</u>	<u>2,966,157</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 17-Aug-2017 and were signed on its behalf by:



.....
D Ellis - Director

The notes form part of these financial statements

SPECIALTY COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016**

1. STATUTORY INFORMATION

Specialty Coating Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of 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.

Turnover

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

Tangible fixed assets

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

Improvements to property	- Straight line over the life of the lease
Plant and machinery	- 10%-15% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 20%-33% on cost

On the main the company has a policy of not capitalising chillers and computer equipment (other than servers), unless they are part of a specific project.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is valued on the weighted average cost basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

SPECIALTY COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Any differences arising from converting the opening reserves of any foreign branches to the rates of exchange ruling at the balance sheet date, have been taken to reserves.

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

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Exemption from preparing group accounts

In accordance with Section 401 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated accounts, as it is a wholly-owned subsidiary of another company incorporated outside the EEA.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 40.

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2016	849,003	1,490,171	122,071	205,607	2,666,852
Additions	<u>6,328</u>	<u>6,932</u>	<u>-</u>	<u>12,513</u>	<u>25,773</u>
At 31 December 2016	<u>855,331</u>	<u>1,497,103</u>	<u>122,071</u>	<u>218,120</u>	<u>2,692,625</u>
DEPRECIATION					
At 1 January 2016	287,896	1,061,741	41,070	180,682	1,571,389
Charge for year	<u>85,897</u>	<u>76,840</u>	<u>12,350</u>	<u>12,182</u>	<u>187,269</u>
At 31 December 2016	<u>373,793</u>	<u>1,138,581</u>	<u>53,420</u>	<u>192,864</u>	<u>1,758,658</u>
NET BOOK VALUE					
At 31 December 2016	<u>481,538</u>	<u>358,522</u>	<u>68,651</u>	<u>25,256</u>	<u>933,967</u>
At 31 December 2015	<u>561,107</u>	<u>428,430</u>	<u>81,001</u>	<u>24,925</u>	<u>1,095,463</u>

SPECIALTY COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016	
and 31 December 2016	<u>515,625</u>
NET BOOK VALUE	
At 31 December 2016	<u>515,625</u>
At 31 December 2015	<u>515,625</u>

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

Specialty Coating Systems (Ireland) Ltd

Registered office:

Nature of business: to provide custom coating services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		72,925	225,015
Loss for the year		<u>(187,484)</u>	<u>(5,964)</u>

Specialty Coating Systems (Ireland) Ltd is incorporated in the Republic of Ireland and provides custom coating services in that region.

Exemption from preparing group accounts

In accordance with Section 401 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated accounts, as it is a wholly-owned subsidiary of another company incorporated outside the EEA.

6. DEBTORS

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	601,506	502,460
Amounts owed by group undertakings	66,978	7,336
Other debtors	6,772	6,480
VAT	13,847	11,823
Deferred tax asset	-	83,240
Prepayments	<u>36,204</u>	<u>44,032</u>
	<u>725,307</u>	<u>655,371</u>

SPECIALTY COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

6. DEBTORS - continued

	2016	2015
	£	£
Amounts falling due after more than one year:		
Amounts owed by group undertakings	173,521	-
Prepayments	<u>45,090</u>	<u>37,950</u>
	<u>218,611</u>	<u>37,950</u>
 Aggregate amounts	 <u>943,918</u>	 <u>693,321</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	28,941	14,774
Amounts owed to group undertakings	8,614	7,385
Tax	9,135	-
Social security and other taxes	26,710	22,553
Other creditors	21,882	13,339
VAT creditor	33,503	65,875
Accrued expenses	<u>155,897</u>	<u>150,928</u>
	<u>284,682</u>	<u>274,854</u>

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	203,885	197,814
Between one and five years	708,049	814,840
In more than five years	<u>-</u>	<u>66,273</u>
	<u>911,934</u>	<u>1,078,927</u>

9. PROVISIONS FOR LIABILITIES

	2016	
	£	
Deferred tax	<u>32,179</u>	
		Deferred tax
		£
Balance at 1 January 2016		(83,240)
Provided during year		<u>115,419</u>
Balance at 31 December 2016		<u>32,179</u>

SPECIALTY COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
2,122,501	Ordinary	£1.00	<u>2,122,501</u>	<u>2,122,501</u>

11. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	843,256	400	843,656
Profit for the year	517,028		517,028
Exchange difference	<u>11,445</u>	<u>-</u>	<u>11,445</u>
At 31 December 2016	<u>1,371,729</u>	<u>400</u>	<u>1,372,129</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Lance Redman (Senior Statutory Auditor)
for and on behalf of HPCA Limited

13. 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.

The consolidated financial statements of Coatings Holding Inc, within which the company is included, can be obtained from the following address:

Coatings Holding Inc.,
7645 Woodland Drive,
Indianapolis,
IN 46278
USA

14. POST BALANCE SHEET EVENTS

The company made further loans of €400,000 to another member of it's group after the year-end.

15. ULTIMATE CONTROLLING PARTY

The immediate parent company is Coatings Holding Inc., a company based in the USA, and the ultimate parent company, which is also the ultimate controlling party is Kisco Ltd, a company based in Japan.

In accordance with Section 401 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated accounts, as it is a wholly-owned subsidiary of another company incorporated outside the EEC.

16. FIRST YEAR ADOPTION

No adjustments were needed to the figures in the previous year since transitioning to FRS102.