

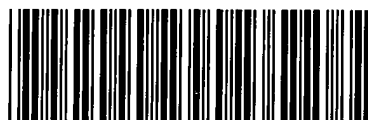
Financial Statements

Cambridge Fluid Systems Limited

For the Year Ended 31 December 2015

Registered number: 2129153

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Cambridge Fluid Systems Limited
Registered number:2129153

Company Information

Directors	Mr S Klee Mrs L Schusheim - Uliel (appointed 5 January 2015) Mr U Oliner (appointed 5 January 2015)
Company secretary	Mrs L Schusheim - Uliel
Registered number	2129153
Registered office	Unit 12 Trafalgar Way Bar Hill Cambridge CB23 8SQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Bankers	HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR

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Directors' Report

For the Year Ended 31 December 2015

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

Principal activity

The principal activity of the company is the design, assembly, test and supply of gas fluid components and systems predominantly for original equipment manufacturers in the semiconductor market. In addition to this, the company seeks to secure large gas fluid systems projects and installation work in other markets.

Results and dividends

The profit for the year, after taxation, amounted to £33,155 (2014 -£721,677).

The directors have not recommended a dividend (2014 - £2,000,000).

Directors

The directors who served during the year were:

Mr A J Goodbrand (resigned 5 January 2015)

Mr S Klee

Mr P G C Harvey (resigned 5 January 2015)

Mr W F Robbins (resigned 5 January 2015)

Mr R Bhalla (resigned 5 January 2015)

Mrs L Schusheim - Uliel (appointed 5 January 2015)

Mr U Oliner (appointed 5 January 2015)

Directors' responsibilities statement

The directors are responsible for preparing 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 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'. Under Company law the directors must not approve the financial statements unless 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 accounting 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.

Directors' Report

For the Year Ended 31 December 2015

Future developments

The company expects that there will be some improvement in the OEM market and its order book during 2016 and that project business will improve as customers move forward with their capital projects.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr S Klee
Director

Date:

21. 04. 2016



Independent Auditor's Report to the Members of Cambridge Fluid Systems Limited

We have audited the financial statements of Cambridge Fluid Systems Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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 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 statement

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 profit 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.



Independent Auditor's Report to the Members of Cambridge Fluid Systems Limited

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.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Grant Thornton UK LLP

Steven Cenci (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Reading

Date: 21/4/2016

Statement of Comprehensive Income

For the Year Ended 31 December 2015

Note	2015 £	2014 £
Turnover	5,900,601	6,746,922
Cost of sales	(4,823,215)	(5,058,383)
Gross profit	1,077,386	1,688,539
Administrative expenses	(1,026,366)	(837,472)
Operating profit	51,020	851,067
Income from fixed assets investments	10 -	50,000
Interest receivable and similar income	9 -	2,177
Interest payable and expenses	10 (207)	-
Profit before tax	50,813	903,244
Tax on profit	11 (17,658)	(181,567)
Profit for the year	33,155	721,677
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Total comprehensive income for the year	33,155	721,677

There were no recognised gains and losses for 2015 or 2014 other than those included in the income statement.

The notes on pages 8 to 24 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

		2015 £	2014 £
Fixed assets			
Tangible assets	13	175,175	229,274
Investments	14	19,380	20,833
		<u>194,555</u>	<u>250,107</u>
Current assets			
Stocks	15	427,615	380,263
Debtors: Amounts falling due within one year	16	831,514	777,479
Cash at bank and in hand		172,724	183,495
		<u>1,431,853</u>	<u>1,341,237</u>
Creditors: Amounts falling due within one year	17	(836,025)	(833,916)
Net current assets		<u>595,828</u>	<u>507,321</u>
Total assets less current liabilities		790,383	757,428
Provisions for liabilities			
Deferred taxation		(16,084)	(24,684)
Provision for dilapidations	21	(105,000)	(96,600)
Net assets		<u>669,299</u>	<u>636,144</u>
Capital and reserves			
Called up share capital	23	59,375	59,375
Profit and loss account	22	609,924	576,769
		<u>669,299</u>	<u>636,144</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr S Klee
Director

Date:

21.04.2016

The notes on pages 8 to 24 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	59,375	576,769	636,144
Comprehensive income for the year			
Profit for the year	-	33,155	33,155
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	33,155	33,155
Total distributions to owners	-	-	-
At 31 December 2015	59,375	609,924	669,299

Statement of Changes in Equity

As at 31 December 2014

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	59,375	1,855,092	1,914,467
Comprehensive income for the year			
Profit for the year	-	721,677	721,677
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	721,677	721,677
Distributions to owners			
Dividends: Equity capital	-	(2,000,000)	(2,000,000)
Total distributions to owners	-	(2,000,000)	(2,000,000)
At 31 December 2014	59,375	576,769	636,144

The notes on pages 8 to 24 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies

1.1 Company information

The company is privately held and limited by shares. The company is incorporated in England.

1.2 Basis of preparation of financial statements

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.

Information on the impact first-time adoption of FRS 102 is given in note 29.

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 (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of Ham-Let (Israel-Canada) Ltd as at 31 December 2015 and these financial statements may be obtained from Ham-Let (Israel-Canada) Ltd, PO Box 824, Natsrat Elit 17106, Israel.

1.4 Going concern

The directors have reviewed the latest forecasts and cashflow projections for the company. In conjunction with this review and the intent of the company's ultimate parent undertaking to continue to provide the company with financial support for a period of not less than 12 months from the date of approval of these financial statements to the extent that the company is unable to meet its obligations itself, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

For the sale of goods, revenue is recognised when the significant risks and rewards of ownership transfer to the buyer. Under the terms of the agreements in place with customers, turnover is recognised when the goods are ready for collection. Adjustment is made for those goods ready for collection at the year end, but not yet collected by the customer.

For project work, revenue is recognised in accordance with the stage of completion of the contract when a number of conditions are satisfied. The amount of revenue must be capable of reliable measurement, it must be probable that the consideration due will be received, the stage of completion at the reporting period end must be capable of reliable measurement and the costs incurred and costs to complete the project must also be capable of reliable measurement.

1.6 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 the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Plant & Machinery	-	13% straight line
Motor Vehicles	-	25% straight line
Fixtures & Fittings	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 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 an average costing basis. Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. No element of profit is included in the valuation of work in progress.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.12 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 trade and other payables.

There are no long term debt instruments due in more than one year. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the year end date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Creditors

Short term creditors are measured at the transaction price.

1.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

1.15 Pensions

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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Trade debtors - management apply judgment in evaluating the recoverability of debtors. To the extent that the Directors believe debtors not to be recovered they have been provided for in the financial statements.

Stock - management apply judgment in evaluating stock for obsolescence. This judgment is based on management knowledge of the stock and customer demand, as well as stock age. At each balance sheet date, stocks are assessed for impairment and written down where appropriate.

Dilapidation provision - management apply judgment in providing for future dilapidation payments on the leased properties. This is outlined further in note 21.

Notes to the Financial Statements

For the Year Ended 31 December 2015

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Sale of goods	5,900,601	6,746,922
	<u>5,900,601</u>	<u>6,746,922</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	4,456,496	5,077,817
Rest of European Union	1,408,291	1,366,508
Rest of the world	35,814	302,597
	<u>5,900,601</u>	<u>6,746,922</u>

4. Operating profit

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

	2015 £	2014 £
Operating lease rentals	82,977	80,922
Depreciation of tangible fixed assets	55,318	52,767
Exchange differences	7,408	(1,608)
Defined contribution pension cost	55,555	62,883
Cost of stocks recognised as an expense	<u>3,787,737</u>	<u>3,904,763</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the Company's auditor	25,900	13,150
	<u>25,900</u>	<u>13,150</u>
Fees payable to the Company's auditor in respect of:		
The auditing of accounts of the Company pursuant to legislation	13,850	11,600
Fees payable to the company's auditor for other audit related services	12,050	1,550
	<u>25,900</u>	<u>13,150</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,092,765	1,078,171
Social security costs	121,041	114,005
Cost of defined contribution scheme	55,555	62,883
	<u>1,269,361</u>	<u>1,255,059</u>

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

	2015 No.	2014 No.
Production staff	18	20
Sales and Administrative staff	14	16
Directors	1	1
	<u>33</u>	<u>37</u>

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	136,382	167,418
Company contributions to defined contribution pension schemes	6,263	5,488
	<u>142,645</u>	<u>172,906</u>

During the year retirement benefits were accruing to 1 director (2014 -1) in respect of defined contribution pension schemes.

Notes to the Financial Statements

For the Year Ended 31 December 2015

8. Income from investments

	2015 £	2014 £
Dividends received from group companies	-	(50,000)
	<u>-</u>	<u>(50,000)</u>
	<u>-</u>	<u>(50,000)</u>

9. Interest receivable

	2015 £	2014 £
Other interest receivable	-	2,177
	<u>-</u>	<u>2,177</u>
	<u>-</u>	<u>2,177</u>

10. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	207	-
	<u>207</u>	<u>-</u>
	<u>207</u>	<u>-</u>

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	18,493	141,595
Adjustments in respect of previous periods	7,765	32
	<u>26,258</u>	<u>141,627</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(8,600)	39,940
	<u>(8,600)</u>	<u>39,940</u>
Total deferred tax		
Taxation on profit on ordinary activities	<u>17,658</u>	<u>181,567</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 -lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>50,813</u>	<u>903,244</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	10,290	194,197
Effects of:		
Expenses not deductible for tax purposes	510	1,129
Fixed asset differences	219	(1,163)
Adjustments to brought forward values	577	-
Adjustments to tax charge in respect of prior periods	7,765	32
Other timing differences leading to an increase (decrease) in taxation	-	(980)
Non-taxable income	-	(10,750)
Difference in tax rates	(1,703)	(898)
Total tax charge for the year	<u>17,658</u>	<u>181,567</u>

Factors that may affect future tax charges

During the year the UK corporation tax rate was decreased to 20%. Following Budget announcements in July 2015, there will be a further reduction in the main rate of corporation tax to 19% in 2017 and 18% in 2020.

12. Dividends

	2015 £	2014 £
Dividends paid	<u>-</u>	<u>2,000,000</u>
	<u>-</u>	<u>2,000,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Tangible fixed assets

	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 January 2015	596,058	20,956	211,931	828,945
Additions	-	-	1,219	1,219
At 31 December 2015	596,058	20,956	213,150	830,164
Depreciation				
At 1 January 2015	481,111	12,027	106,533	599,671
Charge for the year	39,166	4,192	11,960	55,318
At 31 December 2015	520,277	16,219	118,493	654,989
At 31 December 2015	75,781	4,737	94,657	175,175
At 31 December 2014	114,947	8,929	105,398	229,274

14. Fixed asset investments

	Investment in subsidiary undertaking
	£
Cost or valuation	
At 1 January 2015	20,833
Foreign exchange movement	(1,453)
At 31 December 2015	19,380
At 31 December 2015	19,380
At 31 December 2014	20,833

Notes to the Financial Statements

For the Year Ended 31 December 2015

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Cambridge Fluid Systems GmbH	Germany	Ordinary	100 %	On-site welding, assembly and testing

At the year end, Cambridge Fluid Systems Limited was itself a subsidiary company and was from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

15. Stocks

	2015 £	2014 £
Work in progress	136,403	185,026
Bought in parts and components	291,212	195,237
	<u>427,615</u>	<u>380,263</u>

16. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	626,540	639,059
Amounts owed by group undertakings	44,338	48,646
Dividends receivable	-	50,000
Other debtors	16,075	-
Prepayments and accrued income	144,561	39,774
	<u>831,514</u>	<u>777,479</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

17. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	399,185	525,366
Amounts owed to group undertakings	94,156	13,943
Corporation tax	1,692	74,029
Taxation and social security	57,181	34,977
Other creditors	132,048	-
Accruals and deferred income	151,763	185,601
	<u>836,025</u>	<u>833,916</u>

18. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at amortised cost	686,954	737,705
	<u>686,954</u>	<u>737,705</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(777,151)	(724,910)
	<u>(777,151)</u>	<u>(724,910)</u>

Financial assets measured at amortised cost comprise trade and other debtors that are receivable within one year. These are initially and subsequently measured at the undiscounted amount of the cash or other consideration expected to be received.

Financial liabilities measured at amortised cost comprise trade creditors, creditors and accruals. These are payable within one year so have been initially and subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid.

Notes to the Financial Statements

For the Year Ended 31 December 2015

19. Financial risk management

The company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Currency risk

The company is exposed to translation and foreign exchange risk. This risk is mitigated, where possible, by undertaking transactions with overseas customers and suppliers in sterling. The company has the facility to enter into forward currency agreements if deemed necessary, however this facility has not been used during the year.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company can borrow from group. At the year end there are no loan balances with group companies, however, the parent undertaking has confirmed that it will provide working capital support to enable the company to continue for a period of not less than twelve months from the date of approval of these financial statements.

Customer credit exposure

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and a regular review of outstanding trade debtors. In addition, credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

20. Deferred taxation

	Deferred tax £
At 1 January 2015	(24,684)
Charged to the profit or loss	8,600
At 31 December 2015	(16,084)

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(16,084)	(25,253)
Provisions	-	569
	(16,084)	(24,684)

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Provision for dilapidation

	Dilapidation provision £
At 1 January 2015	96,600
Charged to the profit or loss	8,400
At 31 December 2015	105,000

The dilapidation provision represents the cost of returning the leased properties to their original state on termination of the leases. The provision is measured at the cost stated in an external professional valuation report obtained in 2014. The leases to which this provision relates terminate in 2023.

22. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

23. Share capital

	2015 £	2014 £
Authorised		
20,000,000 Ordinary shares of £0.05 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,187,500 Ordinary shares of £0.05 each	<u>59,375</u>	<u>59,375</u>

Each ordinary share carries one voting right. The main shareholder can authorise dividends up to the value of retained earnings.

24. Contingent liabilities

The company has a contingent liability of £20,000 to its bankers under a counter indemnity in respect of value added tax (2014 - £20,000).

During the year, the company has negotiated certain facilities with its bankers and as a result has provided a guarantee in the form of a fixed and floating charge of the assets of the company. As at 31 December 2015, the facilities to which this guarantee relates have not been drawn down.

Notes to the Financial Statements

For the Year Ended 31 December 2015

25. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid pension contributions at the balance sheet date are £5,383 (2014 - £nil).

26. Commitments under operating leases

At 31 December 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	85,690	85,690
Later than 1 year and not later than 5 years	428,450	428,450
Later than 5 years	149,958	235,648
Total	664,098	749,788

27. Related party transactions

At the year end the company is a wholly owned subsidiary of Ham-Let (Israel-Canada) Ltd. and has taken advantage of the exemption afforded by FRS 102 'Section 33 Related Party Disclosures' and not disclosed transactions or balances with other entities that are wholly owned by Ham-Let (Israel-Canada) Ltd.

The immediate and ultimate parent company and controlling party is Ham-Let (Israel-Canada) Ltd, a company incorporated in Israel.

Details of key management personnel compensation is outlined below:

	2015 £	2014 £
Key management personnel compensation	219,701	279,210
	219,701	279,210

Notes to the Financial Statements

For the Year Ended 31 December 2015

28. Controlling party

Until 5 January 2015, the company was a wholly owned subsidiary undertaking of Hale Hamilton (Valves) Limited, a company incorporated in England and Wales.

On 5 January 2015, the ultimate parent company and controlling party became Ham-Let (Israel-Canada) Ltd., a company incorporated in Israel and listed on the Tel Aviv stock exchange.

The largest and smallest group in which the results are consolidated is that headed by Ham-Let (Israel-Canada) Ltd. Copies of these financial statements may be obtained from Ham-Let (Israel-Canada) Ltd., PO Box 824, Natsrat Elit 17106, Israel.

29. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.