Financial Statements
Cambridge Fluid Systems Limited

For the Year Ended 31 December 2016

Registered number: 02129153

Company Information

Directors	Mr S Klee Mr M Tayar Mr A Widmann
Company secretary	Mr M Tayar
Registered number	02129153
Registered office	Unit 12 Trafalgar Way Bar Hill Cambridge CB23 8SQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior 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 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

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.

Directors

The directors who served during the year were:

Mr S Klee
Mrs L Schusheim - Uliel (resigned 29 September 2016)
Mr U Oliner (resigned 29 September 2016)
Mr M Tayar (appointed 29 September 2016)
Mr A Widmann (appointed 29 September 2016)

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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 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.

Disclosure of information to auditor

The directors confirm that:

- so far as each the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

For the Year Ended 31 December 2016

Auditor

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.

Small Companies Note

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.

S. Klee

Mr S Klee
Director

Date: 29/03/2017

Grant Thornton

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 2016, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 1, 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

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 2016 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.

Grant Thornton

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Steven Cenci (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Reading
Date: 29/3/2017

Statement of Comprehensive Income
For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	**7,189,565**	5,900,601
Cost of sales		**(5,825,323)**	(4,823,215)
Gross profit		**1,364,242**	1,077,386
Administrative expenses		**(891,558)**	(1,026,366)
Operating profit	4	**472,684**	51,020
Interest receivable and similar income		**109**	-
Interest payable and expenses		**-**	(207)
Profit before tax		**472,793**	50,813
Tax on profit	7	**(94,558)**	(17,658)
Profit for the year		**378,235**	33,155

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 20 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note		2016		2015
			£		£
Fixed assets					
Tangible assets	8		**139,430**		175,175
Investments	9		**20,833**		19,380
			160,263		194,555
Current assets					
Stocks	10	**576,452**		427,615	
Debtors: amounts falling due within one year	11	**1,306,357**		831,514	
Cash at bank and in hand		**349,725**		172,724	
		2,232,534		1,431,853	
Creditors: amounts falling due within one year	12	**(1,215,779)**		(836,025)	
Net current assets			**1,016,755**		595,828
Total assets less current liabilities			**1,177,018**		790,383
Provisions for liabilities					
Deferred tax	15	**(16,084)**		(16,084)	
Other provisions	16	**(113,400)**		(105,000)	
			(129,484)		(121,084)
Net assets			**1,047,534**		669,299
Capital and reserves					
Called up share capital	19		**59,375**		59,375
Profit and loss account	18		**988,159**		609,924
			1,047,534		669,299

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Mr S Klee
Director
Date: 29/03/2017

The notes on pages 8 to 20 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	**59,375**	**576,769**	**636,144**
Profit for the year	-	33,155	33,155
At 1 January 2016	**59,375**	**609,924**	**669,299**
Profit for the year	-	378,235	378,235
At 31 December 2016	**59,375**	**988,159**	**1,047,534**

The notes on pages 8 to 20 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2016

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 UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's'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);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ham-Let (Israel-Canada) Ltd as at 31 December 2016 and these financial statements may be obtained from Ham-Let (Israel-Canada) Ltd, PO Box 824, Natsrat Elit 17000, 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 2016

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.

Depreciation is provided on the following basis:

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 in the Statement of Comprehensive Income.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.8 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.

1.9 Debtors

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

1.10 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.

1.11 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 debtors and trade and other creditors.

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 debtors or creditors, 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.

1.12 Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.13 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.

1.14 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 payment 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.

1.15 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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.16 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.

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements
For the Year Ended 31 December 2016

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 16.

3. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**4,275,791**	4,456,496
Rest of European Union	**2,863,490**	1,408,291
Rest of the world	**50,284**	35,814
	7,189,565	5,900,601

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Operating lease rentals	**113,451**	82,977
Depreciation of tangible fixed assets	**42,646**	55,318
Exchange differences	**(37,384)**	7,408
Defined contribution pension cost	**62,128**	55,555

Notes to the Financial Statements

For the Year Ended 31 December 2016

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor	**25,020**	25,900
Fees payable to the Company's auditor in respect of:		
The auditing of accounts of the Company pursuant to legislation	**14,100**	13,850
Fees payable to the Company's auditor for other audit related services	**10,920**	12,050

6. Employees

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

	2016	2015
	£	£
Wages and salaries	**1,198,188**	1,092,765
Social security costs	**116,000**	121,041
Cost of defined contribution scheme	**62,128**	55,555
	1,376,316	1,269,361

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

	2016	2015
	No.	No.
Production staff	**28**	18
Sales and Administrative staff	**12**	14
Directors	**1**	1
	41	33

Notes to the Financial Statements

For the Year Ended 31 December 2016

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**94,558**	18,493
Adjustments in respect of previous periods	**-**	7,765
Total current tax	**94,558**	26,258
Deferred tax		
Origination and reversal of timing differences	**-**	(8,600)
Total deferred tax	**-**	(8,600)
Taxation on profit on ordinary activities	**94,558**	17,658

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**472,793**	50,813
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**94,558**	10,290
Effects of:		
Expenses not deductible for tax purposes	**-**	510
Adjustments to tax charge in respect of prior periods	**-**	7,765
Difference in tax rates	**-**	(1,703)
Other timing differences leading to an increase (decrease) in taxation	**-**	796
Total tax charge for the year	**94,558**	17,658

Factors that may affect future tax charges

During the year the UK corporation tax rate was 20%. Following latest Budget announcements, there will be a reduction in the main rate of corporation tax to 19% in 2017 and 17% in 2020.

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 January 2016	596,058	20,957	213,150	830,165
Additions	6,900	-	-	6,900
At 31 December 2016	602,958	20,957	213,150	837,065
Depreciation				
At 1 January 2016	520,277	16,219	118,493	654,989
Charge for the period on owned assets	27,407	3,491	11,748	42,646
At 31 December 2016	547,684	19,710	130,241	697,635
Net book value				
At 31 December 2016	55,274	1,247	82,909	139,430
At 31 December 2015	75,781	4,737	94,657	175,175

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	19,380
Foreign exchange movement	1,453
At 31 December 2016	20,833
Net book value	
At 31 December 2016	20,833
At 31 December 2015	19,380

10. Stock

	2016 £	2015 £
Work in progress	**133,791**	136,403
Bought in parts and components	**442,661**	291,212
	576,452	427,615

Stock recognised in cost of sales during the year as an expense was £4,481,558 (2015: £3,787,737).

A provision of £75,656 (2015: £176,539) is recognised against the stock balance as a result of slow moving stock and over stocking. The net reversal of the provision in the year of £99,220 (2015: £15,568) has been recognised in cost of sales due to the sale of goods previously provided for.

11. Debtors

	2016 £	2015 £
Trade debtors	**1,151,392**	626,540
Amounts owed by group undertakings	**66,084**	44,338
Other debtors	**16,076**	16,075
VAT recoverable	**20,085**	-
Prepayments and accrued income	**52,720**	144,561
	1,306,357	831,514

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**726,369**	399,185
Amounts owed to group undertakings	**138,415**	94,156
Corporation tax	**70,479**	1,692
Taxation and social security	**34,680**	57,181
Other creditors	-	132,048
Accruals and deferred income	**245,836**	151,763
	1,215,779	836,025

13. Financial instruments

	2016 £	2015 £
Financial assets		
Cash	**349,725**	172,724
Financial assets measured at amortised cost	**1,253,307**	686,953
	1,603,032	859,677
Financial liabilities		
Financial liabilities measured at amortised cost	**(1,110,620)**	(777,151)
	(1,110,620)	(777,151)

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 assets measured at fair value through profit or loss comprise bank and cash balances within one year.

Financial liabilities measured at amortised cost comprise trade creditors, other 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.

14. 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.

15. Deferred taxation

	Deferred tax
	£
At 1 January 2016	**(16,084)**
Charged to the profit or loss	**-**
At 31 December 2016	**(16,084)**

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	**(16,084)**	(16,084)
	(16,084)	(16,084)

16 Provision for dilapidation

	Dilapidation provision
	£
At 1 January 2016	**105,000**
Charged to profit or loss	**8,400**
At 31 December 2016	**113,400**

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.

17. Contingent liabilities

The company has a contingent liability of £20,000 to its bankers under a counter indemnity in respect of value added tax (2015 - £20,000).

18. 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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

19. Share capital

	2016 £	2015 £
Authorised		
20,000,000 Ordinary shares of £0.05 each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
1,187,500 Ordinary shares of £0.05 each	**59,375**	59,375

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

20. 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 £Nil (2015 - £5,383).

21. 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 has 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.

22. Controlling party

At the year end, the ultimate parent company and controlling party is Ham-Let (Israel-Canada) Ltd, a company incorporate 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 the financial statements may be obtained from Ham-Let (Israel-Canada) Ltd, PO Box 824, Natsrat Elit 17106, Israel.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006.