

Financial Statements

Silflex Limited

For the Year Ended 31 December 2015



Registered number: 2569811

Silflex Limited

Company Information

| | |
|----------------------------|--|
| Directors | Mr MI Lloyd (chairman) Mrs ME Lloyd Mr AW Lloyd |
| Company secretary | Mr MS Lloyd |
| Registered number | 2569811 |
| Registered office | Summer Hill Works Powell Street Birmingham B1 3DH |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham B4 6AT |

Contents

| | Page |
|--|--------|
| Strategic Report | 1 |
| Directors' Report | 2 - 3 |
| Independent Auditor's Report | 4 - 5 |
| Statement of Comprehensive Income | 6 |
| Statement of Financial Position | 7 |
| Statement of Changes in Equity | 8 |
| Notes to the Financial Statements | 9 - 21 |

Strategic Report

For the Year Ended 31 December 2015

Business review

The company experienced similar demand to the prior year and was able to increase raw margins to 64% compared to 63% in the prior year despite persistently high silicone and energy prices. However, the improvement in raw margins was offset by further increases in the costs of employment, resulting in the similar operating profit for the year.

The contribution of both management and employees to the good results for the year is both recognised and appreciated.

The outlook for demand during 2016 is similar, however yet further increases in the costs of employment are expected to result in a large fall in operating profit.

Notes to key performance indicators

Raw margin is defined as turnover less change in stocks of finished goods and work in progress, less raw materials and consumables, expressed as a percentage of turnover.

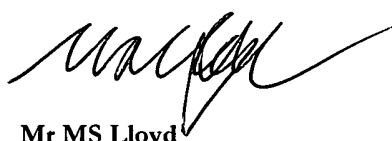
Financial risk management objectives and policies

The company's principal financial instruments comprise balances due from its parent company and cash and short term deposits. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the company's financial instruments is credit risk. The board reviews and agrees policy for managing this risk and this is summarised below:

Credit risk

The company trades with only recognised, creditworthy third parties. It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

This report was approved by the board on 28 September 2016 and signed on its behalf.



Mr MS Lloyd
Secretary

Silflex Limited

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 manufacture and sale of silicone flexible hoses and engineering products. There has been no significant change in the activity during the year.

Results and dividends

The profit for the year, after taxation, amounted to £320,754 (2014 - £314,608).

A final dividend of £30 per share amounting to £300,000 (2014 - £300,000) was declared on 31 December 2015.

Post balance sheet events

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

Matters covered in the strategic report

Financial risk management objectives and policies and a review of the business have been included in the Strategic Report on page 1.

Directors

The directors who served during the year were:

Mr MI Lloyd (chairman)
Mrs ME Lloyd
Mr AW Lloyd

Directors' Report

For the Year Ended 31 December 2015

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 for the company financial statements 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.

Disclosure of information to auditor

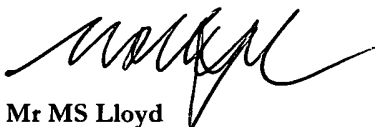
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2016 and signed on its behalf.



Mr MS Lloyd
Secretary



Independent Auditor's Report to the Members of Silflex Limited

We have audited the financial statements of Silflex 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 relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 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 Financial Reporting Council'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.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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.

Basis for qualified opinion on financial statements

As more fully explained in note 21 to the financial statements, the financial statements do not contain the required disclosures under Section 28 'Employee Benefits' of FRS 102 in relation to the group's multi employer pension scheme, in which the company participates. As no information is available to us in respect of assets and liabilities of the scheme at 31 December 2015 or 31 December 2014, we have been unable to quantify the omissions.



Independent Auditor's Report to the Members of Silflex Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Directors' Report has been prepared in accordance with applicable legal requirements.

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.

Grant Thornton UK LLP

Natalie Gladwin (Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Birmingham

29 September 2016

Statement of Comprehensive Income

For the Year Ended 31 December 2015

| | Note | 2015 £ | 2014 £ |
|---|------|----------------|----------------|
| Turnover | 4 | 4,905,120 | 4,893,307 |
| Change in stocks of finished goods and work in progress | | (39,827) | (30,085) |
| Raw materials and consumables | | (1,720,296) | (1,756,018) |
| Other external charges | | (733,934) | (762,676) |
| Staff costs | 5 | (1,966,925) | (1,906,280) |
| Depreciation and amortisation | | (43,511) | (37,046) |
| Operating profit | 7 | 400,627 | 401,202 |
| Interest receivable and similar income | 8 | 234 | 566 |
| Profit before tax | | 400,861 | 401,768 |
| Tax on profit | 9 | (80,107) | (87,160) |
| Profit for the year | | 320,754 | 314,608 |

All amounts relate to continuing operations.

There was no other comprehensive income for 2015 (2014: £Nil).

The notes on pages 9 to 21 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

| | Note | 2015 £ | 2014 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 105,369 | 123,373 |
| Investments | 12 | 1 | 1 |
| | | <u>105,370</u> | <u>123,374</u> |
| Current assets | | | |
| Stocks | 13 | 542,857 | 622,331 |
| Debtors | 14 | 1,471,126 | 1,899,423 |
| Cash at bank and in hand | 15 | 561,172 | 50,492 |
| | | <u>2,575,155</u> | <u>2,572,246</u> |
| Creditors: amounts falling due within one year | 16 | (519,752) | (554,302) |
| Net current assets | | <u>2,055,403</u> | <u>2,017,944</u> |
| Total assets less current liabilities | | <u>2,160,773</u> | <u>2,141,318</u> |
| Provisions for liabilities | | | |
| Deferred tax | 18 | (1,964) | (3,263) |
| | | <u>(1,964)</u> | <u>(3,263)</u> |
| Net assets | | <u><u>2,158,809</u></u> | <u><u>2,138,055</u></u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 10,000 | 10,000 |
| Profit and loss account | 20 | 2,148,809 | 2,128,055 |
| Shareholders' funds | | <u><u>2,158,809</u></u> | <u><u>2,138,055</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2016.



Mr MI Lloyd
Director



Mrs ME Lloyd
Director

The notes on pages 9 to 21 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2015

| | Share capital | Profit and loss account | Total equity |
|--|---------------|----------------------------|------------------|
| | £ | £ | £ |
| At 1 January 2015 | 10,000 | 2,128,055 | 2,138,055 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 320,754 | 320,754 |
| Total comprehensive income for the year | - | 320,754 | 320,754 |
| Dividends: Equity capital | - | (300,000) | (300,000) |
| At 31 December 2015 | 10,000 | 2,148,809 | 2,158,809 |

Statement of Changes in Equity

For the Year Ended 31 December 2014

| | Share capital | Profit and loss account | Total equity |
|--|---------------|----------------------------|------------------|
| | £ | £ | £ |
| At 1 January 2014 | 10,000 | 2,113,447 | 2,123,447 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 314,608 | 314,608 |
| Total comprehensive income for the year | - | 314,608 | 314,608 |
| Dividends: Equity capital | - | (300,000) | (300,000) |
| At 31 December 2014 | 10,000 | 2,128,055 | 2,138,055 |

The notes on pages 9 to 21 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Company information

Silflex Limited is a limited liability company incorporated in England and Wales. The registered office address is Summer Hill Works, Powell Street, Birmingham, B1 3DH.

2. Accounting policies

2.1 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 Republic of Ireland", and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in applying the company's accounting policies (see note 3)

The following principal accounting policies have been applied:

2.2 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;
- the requirements of Section 9 Consolidated and Separate Financial Statements.

This information is included in the consolidated financial statements of Currie & Warner (Holdings) Limited as at 31 December 2015 and these financial statements may be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.3 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

| | |
|---|--------------------------|
| Plant and machinery | - Between 5 and 15 years |
| Fixtures, fittings, tooling and equipment | - Between 4 and 10 years |
| Motor vehicles | - Between 3 and 5 years |

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 the Statement of Comprehensive Income.

2.5 Operating leases: Lessee

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks and work in progress

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 basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 profit or loss.

2.8 Debtors

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

2.9 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.

2.10 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 payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.12 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 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

2.14 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.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.16 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 change attributable to an item recognised directly in equity is also recognised directly in equity.

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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates, including the following:

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debt is maintained for estimated losses resulting from the viability of the company's customers to make required payment. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of customers.

Stocks

Certain factors could affect the realisable value of the company's stocks, including customer demand and market conditions. The directors consider historic usage, expected demand, anticipated sales price, product obsolescence and other factors when evaluating the value of stock.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Analysis of turnover

The whole of the turnover is attributable to the company's principal activities.

The analysis of turnover by geographical area is as follows:

| | 2015 £ | 2014 £ |
|------------------------|------------------|------------------|
| United Kingdom | 2,161,549 | 2,138,961 |
| Rest of Europe | 1,990,634 | 2,009,080 |
| North America | 404,005 | 333,989 |
| Middle East | 23,563 | 26,935 |
| Far East and Australia | 298,807 | 360,047 |
| Other | 26,562 | 24,295 |
| | <u>4,905,120</u> | <u>4,893,307</u> |

5. Staff numbers and costs

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

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,812,579 | 1,758,549 |
| Social security costs | 132,073 | 127,620 |
| Other pension costs | 22,273 | 20,111 |
| | <u>1,966,925</u> | <u>1,906,280</u> |

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

| | 2015 No. | 2014 No. |
|--------------------------|-------------|-------------|
| Management | 8 | 9 |
| Administration and sales | 19 | 20 |
| Production | 77 | 75 |
| | <u>104</u> | <u>104</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2015

6. Directors' remuneration

| | 2015 | 2014 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Directors' emoluments | 27,915 | 51,200 |
| Company pension contributions | 677 | 1,386 |
| | <u>28,592</u> | <u>52,586</u> |

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

The chairman and one other director are paid by other group companies and their emoluments are shown in the financial statements of those companies.

7. Operating profit

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

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 43,511 | 37,046 |
| Auditor's remuneration | 7,150 | 6,200 |
| Difference on foreign exchange | (8,783) | 6,499 |
| Operating lease rentals | 102,184 | 100,482 |
| Stock recognised in cost of sales as an expense | <u>1,560,548</u> | <u>1,602,649</u> |

8. Interest receivable

| | 2015 | 2014 |
|---------------------------|------------|------------|
| | £ | £ |
| Bank interest | 128 | 118 |
| Other interest receivable | 106 | 448 |
| | <u>234</u> | <u>566</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Taxation

| | 2015 £ | 2014 £ |
|--|----------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | 81,406 | 82,035 |
| Total current tax | <u>81,406</u> | <u>82,035</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (1,299) | 5,125 |
| Total deferred tax | <u>(1,299)</u> | <u>5,125</u> |
| Taxation on profit | <u>80,107</u> | <u>87,160</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Profit before tax | <u>400,861</u> | <u>401,768</u> |
| Profit multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%) | 80,172 | 84,371 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 181 | 687 |
| Depreciation on assets not eligible for capital allowances | 216 | 202 |
| Change in standard UK rate | 991 | 1,882 |
| Deferred tax rate less than standard UK rate | - | (243) |
| Deferred tax adjustments | (1,453) | 261 |
| Total tax charge for the year | <u>80,107</u> | <u>87,160</u> |

Factors that may affect future tax charges

The main rate of corporation tax will reduce from 1 April 2017 to 19% and to 18% from 1 April 2020 (a change which was substantively enacted as of 26 October 2015 as part of the finance bill 2015). Deferred tax has been measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the rate and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Dividends

| | 2015 £ | 2014 £ |
|----------------------------------|-----------|-----------|
| Dividends paid on equity capital | 300,000 | 300,000 |

11. Tangible fixed assets

| | Plant and machinery £ | Fixtures, fittings, tooling and equipment £ | Motor vehicles £ | Total £ |
|--------------------------|-----------------------------|---|------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2015 | 610,667 | 414,628 | 52,189 | 1,077,484 |
| Additions | 1,485 | 24,022 | - | 25,507 |
| Disposals | - | - | (9,539) | (9,539) |
| At 31 December 2015 | 612,152 | 438,650 | 42,650 | 1,093,452 |
| Depreciation | | | | |
| At 1 January 2015 | 561,596 | 346,382 | 46,133 | 954,111 |
| Charge for the year | 13,937 | 25,940 | 3,634 | 43,511 |
| Disposals | - | - | (9,539) | (9,539) |
| At 31 December 2015 | 575,533 | 372,322 | 40,228 | 988,083 |
| Net book value | | | | |
| At 31 December 2015 | 36,619 | 66,328 | 2,422 | 105,369 |
| At 31 December 2014 | 49,071 | 68,246 | 6,056 | 123,373 |

The company had no capital commitments at 31 December 2015 (2014 - £Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 January 2015 | 1 |
| At 31 December 2015 | 1 |
| Net book value | |
| At 31 December 2015 | 1 |
| At 31 December 2014 | 1 |

The investments consist of 100% of the issued ordinary share capital of Samco Silicone Products Limited, a subsidiary company incorporated in Great Britain and registered at the company's registered office address.

13. Stocks

| | 2015 £ | 2014 £ |
|------------------|----------------|----------------|
| Raw materials | 237,061 | 276,708 |
| Work in progress | 4,257 | 2,362 |
| Finished goods | 301,539 | 343,261 |
| | <u>542,857</u> | <u>622,331</u> |

14. Debtors

| | 2015 £ | 2014 £ |
|-------------------------------------|------------------|------------------|
| Trade debtors | 610,772 | 565,066 |
| Amounts owed by parent | 735,270 | 1,264,270 |
| Amounts owed by fellow subsidiaries | 82,469 | 7,665 |
| Other debtors | - | 19,366 |
| Prepayments and accrued income | 42,615 | 43,056 |
| | <u>1,471,126</u> | <u>1,899,423</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2015

15. Cash and cash equivalents

| | 2015 £ | 2014 £ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 561,172 | 50,492 |

16. Creditors: Amounts falling due within one year

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Trade creditors | 344,916 | 342,397 |
| Amounts owed to parent | - | 70,000 |
| Amounts owed to fellow subsidiaries | 14,744 | 12,528 |
| Amounts owed to subsidiaries | 5,000 | 5,000 |
| Corporation tax | 16,406 | 7,035 |
| Taxation and social security | 33,520 | 28,735 |
| Other creditors | 8,940 | 8,426 |
| Accruals and deferred income | 96,226 | 80,181 |
| | 519,752 | 554,302 |

17. Financial instruments

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Financial assets | | |
| Cash and cash equivalents | 561,172 | 50,492 |
| Financial assets measured at amortised cost | 1,428,511 | 1,846,434 |
| | 1,989,683 | 1,896,926 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (373,600) | (438,351) |

Cash and cash equivalents comprise cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by parent, amounts owed by fellow subsidiaries and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to parent, amounts owed to fellow subsidiaries, amounts owed to subsidiaries and other creditors.

Notes to the Financial Statements

For the Year Ended 31 December 2015

18. Deferred taxation

| | Deferred tax £ |
|-------------------------------|-------------------|
| At 1 January 2015 | (3,263) |
| Charged to the profit or loss | 1,299 |
| At 31 December 2015 | (1,964) |

The provision for deferred taxation is made up as follows:

| | 2015 £ | 2014 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | (2,405) | (3,263) |
| Other timing differences | 441 | - |
| | (1,964) | (3,263) |

19. Share capital

| | 2015 £ | 2014 £ |
|---|---------------|---------------|
| Authorised, allotted, called up and fully paid | | |
| 10,000 ordinary shares of £1 each | 10,000 | 10,000 |

Share capital represents the nominal value of shares that have been issued. There are no restrictions attached to the one class of share capital.

20. Reserves

Profit & loss account

The profit and loss account contains all current and prior period retained earnings.

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Pension commitments

The company participates in a group defined benefit pension scheme which is closed to new entrants and future accrual of benefits. The assets of the scheme are administered by trustees and are held separately from the group. The company is unable to identify its share of the assets and liabilities of the group pension scheme, and has therefore followed the provisions for multi employer schemes within Section 28 of Financial Reporting Standard 102 "Employee Benefits" and not provided for an asset or liability. The company has not obtained and disclosed an asset or liability at 31 December 2015 in accordance with Section 28. Whilst there is no direct relationship with the Section 28 valuation, at the last actuarial valuation prepared as at 5 April 2014 the scheme has a surplus of assets over liabilities amounting to £360,000.

The principal assumption used in the actuarial valuation was that long term investment returns will be 2.9% per annum above inflation.

The company also participates in a group defined contribution scheme, for which the liability is limited to the annual contributions payable. As at 31 December 2015, the total contributions due for payment to the pension provider after the year end were £4,229 (2014 - £4,371).

22. Commitments under operating leases

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Not later than 1 year | 90,500 | 90,500 |
| Later than 1 year and not later than 5 years | 231,375 | 321,875 |
| Later than 5 years | - | - |
| Total | 321,875 | 412,375 |

23. Parent companies

The immediate parent company is Glenison (Holdings) Limited and the ultimate parent company is Currie & Warner (Holdings) Limited, both of which are incorporated in Great Britain and registered in England and Wales.

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summer Hill Works, Powell Street, Birmingham, B1 3DH.

24. 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.