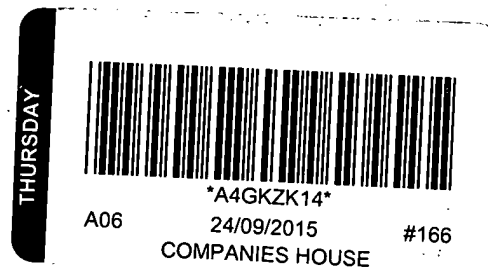


# Financial Statements

## Silflex Limited

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For the Year Ended 31 December 2014



Registered number: 2569811

Silflex Limited

## Company Information

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

**Silflex Limited**

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# Strategic Report

For the Year Ended 31 December 2014

## **Business review**

The company experienced a further 3% increase in turnover, maintaining raw margins of 63% in the face of persistently high silicone and energy prices. Despite increased employment costs, the increased turnover allowed the company to produce a further improvement in operating profitability.

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

The outlook for demand during 2015 is similar, and with improved raw margins offset by further increases in the costs of employment, the business anticipates achieving a similar 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 instrument comprises a parent company loan account. The main purpose of this financial instrument 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 23 September 2015 and signed on its behalf.



Mr MS Lloyd  
Secretary

# Directors' Report

For the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

## 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 £314,608 (2013 - £282,482).

A final dividend of £30 per share amounting to £300,000 (2013 - £250,000) was declared on 31 December 2014.

## 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 the company were:

Mr MI Lloyd (chairman)

Mrs MF Lloyd

Mr AW Lloyd

## Directors' responsibilities statement

The directors are responsible for preparing the directors' report, strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' Report

For the Year Ended 31 December 2014

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.

### Provision of information to auditor

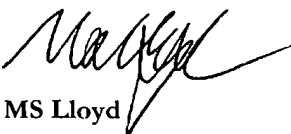
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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.

### Auditor

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 23 September 2015 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 2014, which comprise the profit and loss account, the balance sheet 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).

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 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](http://www.frc.org.uk/auditscopeukprivate).

### **Basis for qualified opinion on financial statements**

As more fully explained in note 18 to the financial statements, the financial statements do not contain disclosures required under FRS 17 "Retirement Benefits" relating 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 2014, we have been unable to quantify the omissions. Whilst there is no direct relationship with the FRS 17 valuation, we are aware that at the last actuarial valuation prepared as at 5 April 2014 the scheme has a surplus of assets over liabilities amounting to £360,000. In our opinion a disclosure should be made for an asset or liability in accordance with FRS 17.

### **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 2014 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 Silflex 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.

A handwritten signature in black ink, appearing to read "Gat Thh in up", which is a stylized or possibly misread version of the name David White.

David White (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Birmingham

23 September 2015



## Profit and Loss Account

For the Year Ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	4,893,307	4,740,644
Change in stocks of finished goods and work in progress		(30,085)	(6,327)
Raw materials and consumables		(1,756,018)	(1,741,549)
Other external charges		(762,676)	(725,571)
Staff costs	3	(1,906,280)	(1,853,151)
Depreciation and amortisation		(37,046)	(44,537)
<b>Operating profit</b>	5	401,202	369,509
Interest receivable and similar income	6	566	150
<b>Profit on ordinary activities before taxation</b>		401,768	369,659
Tax on profit on ordinary activities	7	(87,160)	(87,177)
<b>Profit for the financial year</b>	15	314,608	282,482

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

## Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	8		123,373		120,997
Investments	9		1		1
			<u>123,374</u>		<u>120,998</u>
<b>Current assets</b>					
Stocks	10	622,331		575,502	
Debtors	11	1,899,423		2,139,828	
Cash at bank and in hand		50,492		1,636	
		<u>2,572,246</u>		<u>2,716,966</u>	
<b>Creditors:</b> amounts falling due within one year	12	(554,302)		(714,517)	
<b>Net current assets</b>			<u>2,017,944</u>		<u>2,002,449</u>
<b>Total assets less current liabilities</b>			<u>2,141,318</u>		<u>2,123,447</u>
<b>Provisions for liabilities</b>					
Deferred tax	13		(3,263)		-
<b>Net assets</b>			<u><u>2,138,055</u></u>		<u><u>2,123,447</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		10,000		10,000
Profit and loss account	15		<u>2,128,055</u>		<u>2,113,447</u>
<b>Shareholders' funds</b>	16		<u><u>2,138,055</u></u>		<u><u>2,123,447</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2015.



Mr MI Lloyd  
Director



Mrs ME Lloyd  
Director

The notes on pages 8 to 17 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 1. Accounting Policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company's financial statements.

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### 1.2 Consolidation

Group financial statements are not submitted as the company is a subsidiary of Currie & Warner (Holdings) Limited, incorporated in Great Britain and registered in England & Wales.

### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied less returns, exclusive of Value Added Tax.

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected 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

Additions to fixed assets during the accounting period are depreciated at an appropriate proportion of the annual rate attributable to that category of asset.

### 1.5 Investments

Investments are stated at cost less provision for any impairment in value.

### 1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost in relation to finished goods and work in progress includes attributable production overheads.

### 1.7 Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 1. Accounting Policies (continued)

### 1.8 Pensions

The company participates in a group defined contribution scheme, contributions being charged to the profit and loss account in the year they are incurred.

### 1.9 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Any amounts receivable or payable at the balance sheet date are converted at the rate then ruling and any differences are taken to the profit and loss account.

### 1.10 Operating leases

Payments under operating leases are charged to revenue in the financial period in which they are incurred.

### 1.11 Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 on the grounds that it is entitled to the exemptions available in Section 444 of the Companies Act 2006 for Small Companies.

## 2. Turnover

The analysis of turnover by geographical area is as follows:

	2014 £	2013 £
United Kingdom	2,138,961	1,993,382
Rest of Europe	2,009,080	1,872,337
North America	333,989	444,065
Middle East	26,935	40,922
Far East and Australia	360,047	369,591
Other	24,295	20,347
	<u>4,893,307</u>	<u>4,740,644</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 3. Staff costs

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

	2014	2013
	£	£
Wages and salaries	1,758,549	1,643,317
Social security costs	127,620	123,329
Other pension costs	20,111	86,505
	<u>1,906,280</u>	<u>1,853,151</u>

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

	2014	2013
	No.	No.
Management	9	9
Administration and sales	20	19
Production	75	75
	<u>104</u>	<u>103</u>

## 4. Directors' remuneration

	2014	2013
	£	£
Emoluments	<u>51,200</u>	<u>35,417</u>
Company pension contributions	<u>1,386</u>	<u>928</u>

During the year retirement benefits were accruing to one director (2013 - 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.

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 5. Operating profit

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	37,046	44,537
Auditor's remuneration	6,200	6,300
Operating lease rentals:		
- plant and machinery	(18)	302
- other operating leases	100,500	100,009
Difference on foreign exchange	6,499	(2,932)
	<u>6,499</u>	<u>(2,932)</u>

## 6. Interest receivable

	2014 £	2013 £
Bank interest	118	118
Other interest receivable	448	32
	<u>566</u>	<u>150</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 7. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	82,035	88,410
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	5,125	(1,233)
<b>Tax on profit on ordinary activities</b>	<u>87,160</u>	<u>87,177</u>

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>401,768</u>	<u>369,659</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	84,371	85,022
<b>Effects of:</b>		
Expenses not deductible for tax purposes	687	1,033
Capital allowances (greater)/less than depreciation	(5,381)	2,193
Company pension contribution expense greater than payment	476	-
Profits on disposal of tangible fixed assets	-	(776)
Change in standard UK rate	1,882	938
<b>Current tax charge for the year</b> (see note above)	<u>82,035</u>	<u>88,410</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 8. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings, tooling and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2014	610,417	375,456	52,189	1,038,062
Additions	-	39,172	-	39,172
Intra-group transfers	250	-	-	250
At 31 December 2014	<u>610,667</u>	<u>414,628</u>	<u>52,189</u>	<u>1,077,484</u>
<b>Depreciation</b>				
At 1 January 2014	547,147	327,419	42,499	917,065
Charge for the year	14,449	18,963	3,634	37,046
At 31 December 2014	<u>561,596</u>	<u>346,382</u>	<u>46,133</u>	<u>954,111</u>
<b>Net book value</b>				
At 31 December 2014	<u>49,071</u>	<u>68,246</u>	<u>6,056</u>	<u>123,373</u>
At 31 December 2013	<u>63,270</u>	<u>48,037</u>	<u>9,690</u>	<u>120,997</u>

The company had no capital commitments at 31 December 2014 (2013 - £Nil).

## 9. Investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	<u>1</u>
<b>Net book value</b>	
At 31 December 2014	<u>1</u>
At 31 December 2013	<u>1</u>

The investments consist of 5,000 £1 ordinary shares, being the entire issued share capital of Samco Silicone Products Limited, a dormant company incorporated in Great Britain and registered in England and Wales.



# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 10. Stocks

	2014	2013
	£	£
Raw materials	276,708	199,794
Work in progress	2,362	926
Finished goods	343,261	374,782
	<u>622,331</u>	<u>575,502</u>

## 11. Debtors

	2014	2013
	£	£
Trade debtors	565,066	604,601
Amounts owed by parent	1,264,270	1,477,270
Amounts owed by fellow subsidiaries	7,665	7,920
Other debtors	19,366	-
Prepayments and accrued income	43,056	48,175
Deferred tax asset (see note 13)	-	1,862
	<u>1,899,423</u>	<u>2,139,828</u>

## 12. Creditors:

### Amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	-	17,321
Trade creditors	342,397	329,392
Amounts owed to parent	70,000	70,000
Amounts owed to fellow subsidiaries	12,528	77,639
Amounts owed to subsidiaries	5,000	5,000
Corporation tax	7,035	88,410
Social security and other taxes	28,735	31,115
Other creditors	8,426	26,113
Accruals and deferred income	80,181	69,527
	<u>554,302</u>	<u>714,517</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 13. Deferred taxation

	2014 £	2013 £
Asset at the beginning of year	1,862	629
(Charge for)/released during the year	(5,125)	1,233
	<u>(3,263)</u>	<u>1,862</u>
(Liability)/asset at end of year	<u>(3,263)</u>	<u>1,862</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	(3,263)	1,862
	<u>(3,263)</u>	<u>1,862</u>

## 14. Share capital

	2014 £	2013 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

## 15. Reserves

	Profit and loss account £
At 1 January 2014	2,113,447
Profit for the year	314,608
Dividends: Equity capital	(300,000)
	<u>2,128,055</u>
At 31 December 2014	<u>2,128,055</u>

## 16. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	2,123,447	2,090,965
Profit for the financial year	314,608	282,482
Dividends (Note 17)	(300,000)	(250,000)
	<u>2,138,055</u>	<u>2,123,447</u>
Closing shareholders' funds	<u>2,138,055</u>	<u>2,123,447</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2014

## 17. Dividends

	2014 £	2013 £
Dividends paid on equity capital	<u>300,000</u>	<u>250,000</u>

## 18. 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 Financial Reporting Standard 17 "Retirement Benefits" and not provided for an asset or liability. The company has not obtained and disclosed an asset or liability at 31 December 2014 in accordance with FRS 17. Whilst there is no direct relationship with the FRS 17 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 2014, the total contributions due for payment to the pension provider after the year end were £4,371 (2013 - £3,265).

## 19. Operating lease commitments

Annual commitments under operating leases are as follows:

	Land and buildings	
	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	90,500	-
After more than 5 years	<u>-</u>	<u>70,000</u>

## 20. Related party transactions

The aggregate value of transactions made during the year in the normal course of business between the company and group undertakings, were as follows:

	2014 £	2013 £
Charges for management and property services provided by parent company	<u>140,000</u>	<u>140,000</u>

Balances due from and to group undertakings are disclosed within the debtors and creditors notes above.

# Notes to the Financial Statements

**For the Year Ended 31 December 2014**

## **21. Parent companies**

The immediate parent company is Glenson (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.