

Financial Statements

Peppers Cable Glands Limited

For the Year Ended 31 December 2014

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Registered number: 2720654

Peppers Cable Glands Limited

Company Information

Directors	Mr MI Lloyd (chairman) Mr T Thakore
Company secretary	Mr MS Lloyd
Registered number	2720654
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

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Strategic Report

For the Year Ended 31 December 2014

Business review

The company experienced improving export demand during the year, resulting in the overall 3% increase in turnover, and despite the increasing strength of Sterling against the Euro and persistently high raw material prices, the business was able to deliver an improvement in raw margins from 39% to 40%. Despite increases in labour costs, the increase in turnover and raw margins resulted in improved operating profit, and the company was able to maintain strong net current assets of £1.9m, with increased cash balances more than offsetting increased borrowing from its parent.

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

The outlook for 2015 is challenging, with the company experiencing falling demand as a result of the dramatic fall in oil prices, together with substantial increases in the strength of Sterling against the Euro and further increases in labour costs damaging margins. As a result of these headwinds, the business expects to deliver reduced, though still very good, operating profitability.

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 to 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 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 electrical cable glands and accessories. There has been no significant change in the activity during the year.

Results and dividends

The profit for the year, after taxation, amounted to £905,357 (2013 - £933,828).

A final dividend of £800 per share amounting to £800,000 (2013 - £800,000) 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)
Mr T Thakore

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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

For the Year Ended 31 December 2014

Provision of information to auditor

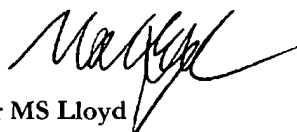
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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 Peppers Cable Glands Limited

We have audited the financial statements of Peppers Cable Glands 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.

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 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 Peppers Cable Glands 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 "Grant Thornton in up".

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 £
Turnover	2	7,561,676	7,326,790
Change in stocks of finished goods and work in progress		177,051	6,952
Raw materials and consumables		(4,742,424)	(4,451,326)
Other external charges		(546,538)	(586,618)
Staff costs	3	(1,250,911)	(1,187,286)
Depreciation and amortisation		(43,684)	(36,164)
Operating profit	5	1,155,170	1,072,348
Interest receivable and similar income	6	264	247
Profit on ordinary activities before taxation		1,155,434	1,072,595
Tax on profit on ordinary activities	7	(250,077)	(138,767)
Profit for the financial year	14	905,357	933,828

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 16 form part of these financial statements.

Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		174,513		168,742
Current assets					
Stocks	9	2,116,033		1,943,928	
Debtors	10	1,142,133		1,246,342	
Cash at bank and in hand		817,683		41,009	
		<u>4,075,849</u>		<u>3,231,279</u>	
Creditors: amounts falling due within one year	11	<u>(2,196,189)</u>		<u>(1,454,464)</u>	
Net current assets			<u>1,879,660</u>		<u>1,776,815</u>
Total assets less current liabilities			<u>2,054,173</u>		<u>1,945,557</u>
Provisions for liabilities					
Deferred tax	12		<u>(22,195)</u>		<u>(18,936)</u>
Net assets			<u>2,031,978</u>		<u>1,926,621</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>2,030,978</u>		<u>1,925,621</u>
Shareholders' funds	15		<u>2,031,978</u>		<u>1,926,621</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

The notes on pages 8 to 16 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 Turnover

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

1.3 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.

1.4 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.

1.5 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.

1.6 Pensions

The company operates a defined contribution scheme covering certain of its permanent employees. Contributions to the defined contribution scheme are charged to the profit and loss account in the year they are incurred.

1.7 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.

Notes to the Financial Statements

For the Year Ended 31 December 2014

1. Accounting Policies (continued)

1.8 Operating leases

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

1.9 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

2. Turnover

The analysis of turnover by geographical area is as follows:

	2014	2013
	£	£
United Kingdom	1,545,189	1,941,279
Rest of Europe	2,871,012	2,601,132
North America	1,320,637	1,193,301
Middle East	1,269,511	835,708
Far East and Australia	441,649	707,341
Other	113,678	48,029
	<u>7,561,676</u>	<u>7,326,790</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	1,127,819	1,068,098
Social security costs	102,473	100,073
Other pension costs	20,619	19,115
	<u>1,250,911</u>	<u>1,187,286</u>

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

	2014	2013
	No.	No.
Management	6	6
Administration and sales	9	9
Production	38	35
	<u>53</u>	<u>50</u>

4. Directors' remuneration

	2014	2013
	£	£
Emoluments	<u>84,400</u>	<u>80,000</u>
Company pension contributions	<u>11,118</u>	<u>10,710</u>

During the year retirement benefits were accruing to one director (2013 - one) in respect of defined contribution pension schemes.

The chairman is paid by other group companies and his 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:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	43,684	36,164
Auditor's remuneration	4,900	5,300
Operating lease rentals:		
- plant and machinery	5,164	5,942
- other operating leases	70,800	70,800
Difference on foreign exchange	15,898	27,517
	<u>130,446</u>	<u>145,723</u>

6. Interest receivable

	2014 £	2013 £
Bank interest	129	73
Other interest receivable	135	174
	<u>264</u>	<u>247</u>

7. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	246,818	134,060
Deferred tax (see note 12)		
Origination and reversal of timing differences	3,259	4,707
Tax on profit on ordinary activities	<u>250,077</u>	<u>138,767</u>

Notes to the Financial Statements

For the Year Ended 31 December 2014

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower 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>1,155,434</u>	<u>1,072,595</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	242,641	246,697
Effects of:		
Expenses not deductible for tax purposes	746	1,342
Capital allowances greater than depreciation	(1,911)	(4,527)
Losses on disposal of tangible fixed assets	-	70
Utilisation of tax losses	-	(110,757)
Change in standard UK rate	5,664	1,422
Research & development relief	(322)	(187)
Current tax charge for the year (see note above)	<u>246,818</u>	<u>134,060</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 £
Cost				
At 1 January 2014	212,953	180,841	30,515	424,309
Additions	15,023	34,432	-	49,455
At 31 December 2014	227,976	215,273	30,515	473,764
Depreciation				
At 1 January 2014	131,761	119,992	3,814	255,567
Charge for the year	18,021	18,034	7,629	43,684
At 31 December 2014	149,782	138,026	11,443	299,251
Net book value				
At 31 December 2014	78,194	77,247	19,072	174,513
At 31 December 2013	81,192	60,849	26,701	168,742

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

9. Stocks

	2014 £	2013 £
Raw materials	24,789	29,735
Finished goods	2,091,244	1,914,193
	2,116,033	1,943,928

10. Debtors

	2014 £	2013 £
Trade debtors	957,306	1,128,608
Other debtors	166,189	100,964
Prepayments and accrued income	18,638	16,770
	1,142,133	1,246,342

Notes to the Financial Statements

For the Year Ended 31 December 2014

11. Creditors:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	137,661	189,504
Amounts owed to parent	1,408,731	717,731
Amounts owed to fellow subsidiaries	419,231	424,053
Corporation tax	71,818	-
Social security and other taxes	27,650	27,852
Other creditors	4	4
Accruals and deferred income	131,094	95,320
	<u>2,196,189</u>	<u>1,454,464</u>

The ultimate parent company and a fellow subsidiary company have fixed and floating charges over the assets of the company.

12. Deferred taxation

	2014 £	2013 £
Liability at the beginning of year	18,936	14,229
Charge for the year	3,259	4,707
	<u>22,195</u>	<u>18,936</u>
At end of year		

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>22,195</u>	<u>18,936</u>

13. Share capital

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

Notes to the Financial Statements

For the Year Ended 31 December 2014

14. Reserves

	Profit and loss account £
At 1 January 2014	1,925,621
Profit for the year	905,357
Dividends: Equity capital	(800,000)
	<hr/>
At 31 December 2014	2,030,978
	<hr/>

15. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	1,926,621	1,792,793
Profit for the financial year	905,357	933,828
Dividends (Note 16)	(800,000)	(800,000)
	<hr/>	<hr/>
Closing shareholders' funds	2,031,978	1,926,621
	<hr/>	<hr/>

16. Dividends

	2014 £	2013 £
Dividends paid on equity capital	800,000	800,000
	<hr/>	<hr/>

17. Pension commitments

The company operates a defined contribution pension scheme for which the liability is limited to the annual contributions payable. There were no contributions prepaid or outstanding at 31 December 2014 (2013 - £Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2014

18. 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 £
Purchases of raw materials from fellow subsidiaries	2,848,028	2,422,286
Charges for management and property services provided by parent company	130,800	130,800

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

19. Parent company

The ultimate parent company is Currie & Warner (Holdings) Limited, 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.