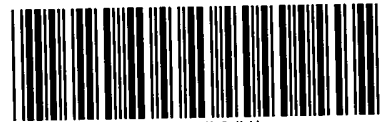


Company Registration No. 02778086 (England and Wales)

PADLEY & VENABLES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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PADLEY & VENABLES LIMITED

COMPANY INFORMATION

Director	F M Brunner
Secretary	D Bradwell
Company number	02778086
Registered office	Callywhite Lane Dronfield Nr Sheffield S18 6XT
Auditors	BHP, Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Business address	Callywhite Lane Dronfield Nr Sheffield S18 6XT
Bankers	National Westminster Bank plc 42 High Street Sheffield S1 2GE

PADLEY & VENABLES LIMITED

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PADLEY & VENABLES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

Our objective is to present a balanced and practical review of the development and performance of our business during the year and its position at the year end. Our review is intended to reflect the size and nature of our business and is written in the context of the risks and uncertainties we face.

The Company is a manufacturer of specialised Bar Steels and Consumable Accessories for use in the Mining and Construction Industries throughout the World. The Company's activities are organised into two manufacturing divisions - Padley & Venables and Bedford Steels. In summary, the activities of the two divisions can be summarised as follows:-

Bedford Steels

Bedford Steels is a steel re-rolling facility, manufacturing a range of specialised Hollow and Solid Bar Sections for the Mining, Construction and General Engineering Industries. These products are supplied to manufacturers of consumable tools throughout the world.

Padley & Venables

Padley & Venables manufactures consumable tools for the Mining, Quarrying and Construction Industries. These products are divided into three main groups, Rock Drilling Accessories, Tools for boom mounted Breakers and Tools for hand held pneumatic/hydraulic Breakers. These products are marketed throughout the world, under two brand names, "P&V" and "Thomas Turton/Crossbow".

Key performance indicators

The world market has been a challenging place over the last twelve months, and will continue to be so through the next twelve months. Continued depression of commodity pricing had a significant impact on mining demand whilst growth in the construction sector failed to materialise. Despite these important factors we continued to strengthen our manufacturing facilities in order to be well positioned for the years ahead.

Whilst the returns were not as good as they have been in recent years they still show that the company has the inherent strength, resilience and flexibility necessary to react to the ebbs and flows of the world market.

EBT decreased to £384K from £2,574K. Return on capital employed has decreased from 13% to 2%. Profit after tax of £269K has been added to reserves.

On behalf of the board



F M Brunner

Director

25 August 2016

PADLEY & VENABLES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company is the manufacture of Drilling Equipment, Demolition Tools and Rolled Steel Products.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

F M Brunner

Results and dividends

The results for the year are set out on page 5.

No interim ordinary dividends were paid during the year. The director does not recommend payment of a final dividend.

Auditors

In accordance with the company's articles, a resolution proposing that BHP, Chartered Accountants be reappointed as auditors of the company will be put at a General Meeting.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



F M Brunner

Director

25 August 2016

PADLEY & VENABLES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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. He is 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.

PADLEY & VENABLES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PADLEY & VENABLES LIMITED

We have audited the financial statements of Padley & Venables Limited for the year ended 31 December 2015 set out on pages 5 to 26. 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 Financial Reporting Standard 102.

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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's 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.

Charles Ringrose (Senior Statutory Auditor)
for and on behalf of BHP, Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

25 August 2016

PADLEY & VENABLES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 £	2014 £
	Notes		
Turnover	3	19,380,618	22,028,798
Cost of sales		(15,427,825)	(16,059,384)
Gross profit		3,952,793	5,969,414
Distribution costs		(1,842,488)	(1,784,054)
Administrative expenses		(1,911,734)	(1,932,319)
Operating profit	4	198,571	2,253,041
Interest receivable and similar income	7	185,990	324,110
Interest payable and similar charges	8	(846)	(2,820)
Profit before taxation		383,715	2,574,331
Taxation	9	(115,081)	(545,546)
Profit for the financial year		268,634	2,028,785

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PADLEY & VENABLES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Profit for the year	268,634	2,028,785
	<hr/>	<hr/>
Other comprehensive income		
Actuarial loss on defined benefit pension schemes	(727,000)	(95,000)
Tax relating to other comprehensive income	145,400	72,980
	<hr/>	<hr/>
Other comprehensive income for the year	(581,600)	(22,020)
	<hr/>	<hr/>
Total comprehensive income for the year	(312,966)	2,006,765
	<hr/>	<hr/>

PADLEY & VENABLES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12	5,649,798		4,997,856	
Investment properties	13	294,418		294,418	
		<u>5,944,216</u>		<u>5,292,274</u>	
Current assets					
Stocks	14	8,750,171		9,091,319	
Debtors	15	4,309,241		5,431,355	
Investments	16	833,333		833,333	
Cash at bank and in hand		4,211,811		3,764,502	
		<u>18,104,556</u>		<u>19,120,509</u>	
Creditors: amounts falling due within one year	17	<u>(1,438,555)</u>		<u>(2,455,800)</u>	
Net current assets		16,666,001		16,664,709	
Total assets less current liabilities		<u>22,610,217</u>		<u>21,956,983</u>	
Provisions for liabilities	18	<u>(403,500)</u>		<u>(328,500)</u>	
Net assets excluding pension surplus		<u>22,206,717</u>		<u>21,628,483</u>	
Defined benefit pension surplus	20	3,173,600		4,064,800	
Net assets		<u><u>25,380,317</u></u>		<u><u>25,693,283</u></u>	
Capital and reserves					
Called up share capital	21	1,600,002		1,600,002	
Profit and loss reserves		23,780,315		24,093,281	
Total equity		<u><u>25,380,317</u></u>		<u><u>25,693,283</u></u>	

The financial statements were approved and signed by the director and authorised for issue on 25 August 2016



F M Brunner
Director

Company Registration No. 02778086

PADLEY & VENABLES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1,600,002	24,419,816	26,019,818
Period ended 31 December 2014:				
Profit for the year		-	2,028,785	2,028,785
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(95,000)	(95,000)
Tax relating to other comprehensive income		-	72,980	72,980
Total comprehensive income for the year		-	2,006,765	2,006,765
Dividends	10	-	(2,333,300)	(2,333,300)
Balance at 31 December 2014		1,600,002	24,093,281	25,693,283
Period ended 31 December 2015:				
Profit for the year		-	268,634	268,634
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(727,000)	(727,000)
Tax relating to other comprehensive income		-	145,400	145,400
Total comprehensive income for the year		-	(312,966)	(312,966)
Balance at 31 December 2015		1,600,002	23,780,315	25,380,317

PADLEY & VENABLES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	28	2,453,962		3,201,202	
Interest paid		(846)		(2,820)	
Income taxes paid		(656,711)		(247,849)	
Net cash inflow from operating activities		1,796,405		2,950,533	
Investing activities					
Purchase of tangible fixed assets		(1,358,250)		(1,670,198)	
Proceeds on disposal of tangible fixed assets		8,400		16,042	
Interest received		754		1,850	
Net cash used in investing activities		(1,349,096)		(1,652,306)	
Financing activities					
Dividends paid		-		(2,333,300)	
Net cash used in financing activities		-		(2,333,300)	
Net increase/(decrease) in cash and cash equivalents		447,309		(1,035,073)	
Cash and cash equivalents at beginning of year		3,764,502		4,799,575	
Cash and cash equivalents at end of year		4,211,811		3,764,502	

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Padley & Venables Limited is a company limited by shares incorporated in England and Wales. The registered office is Callywhite Lane, Dronfield, Nr Sheffield, S18 6XT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Padley & Venables Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2.5% straight line
Land and buildings Leasehold	2.5% straight line
Plant and machinery	10% - 16.6% straight line
Fixtures & fittings	16.6% straight line
Motor vehicles	25% straight line

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Sales	19,380,618	22,028,798

In the opinion of the directors the disclosure of the geographical analysis of turnover would be seriously prejudicial to the interests of the company. This information has therefore not been disclosed.

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	74,153	(3,720)
Fees payable to the company's auditors for the audit of the company's financial statements	23,800	24,500
Depreciation of owned tangible fixed assets	706,308	596,223
Profit on disposal of tangible fixed assets	(8,400)	(4,047)
Operating lease charges	26,951	26,109

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Production	150	147
Selling and administration	44	45
	194	192

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	5,697,910	5,988,805
Social security costs	531,649	527,890
Pension costs	39,282	26,162
	6,268,841	6,542,857

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Director's remuneration

	2015 £	2014 £
Remuneration for qualifying services	146,300	280,000

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	146,300	280,000
--------------------------------------	---------	---------

7 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	754	1,850
Return on pension scheme asset	182,000	319,000
Other interest income	3,236	3,260
Total income	185,990	324,110

8 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	228	10
Other interest	618	2,810
	846	2,820

9 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	70,598	515,583
Foreign current tax on profits for the current period	46,883	14,863
Total current tax	117,481	530,446
Deferred tax		
Origination and reversal of timing differences	75,000	59,500
Movement in pension provision	(77,400)	(44,400)
Total deferred tax	(2,400)	15,100
Total tax charge	115,081	545,546

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	383,715	2,574,331
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	76,743	540,610
Tax effect of expenses that are not deductible in determining taxable profit	12,046	58,224
Change in unrecognised deferred tax assets	(1,300)	-
Effect of change in corporation tax rate	1,092	-
Other permanent differences	57,017	-
Other tax adjustments	(77,400)	(53,288)
Foreign tax	46,883	-
Tax expense for the year	115,081	545,546

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015 £	2014 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(145,400)	(72,980)

10 Dividends

	2015 £	2014 £
Interim paid	-	2,333,300
	-	2,333,300

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	379,109
Amortisation and impairment	
At 1 January 2015 and 31 December 2015	379,109
Carrying amount	
At 31 December 2015	-
At 31 December 2014	-

12 Tangible fixed assets

	Freehold land and buildings	Land and buildings Leasehold	Plant and machinery	Fixtures & Motor vehicles fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2015	1,557,745	356,304	8,270,431	705,241	332,530
Additions	66,999	-	1,236,054	22,447	32,750
Disposals	-	-	(92,100)	-	(21,200)
At 31 December 2015	1,624,744	356,304	9,414,385	727,688	344,080
Depreciation and impairment					
At 1 January 2015	654,657	127,623	4,817,961	404,519	219,635
Depreciation charged in the year	40,498	8,908	544,592	52,169	60,141
Eliminated in respect of disposals	-	-	(92,100)	-	(21,200)
At 31 December 2015	695,155	136,531	5,270,453	456,688	258,576
Carrying amount					
At 31 December 2015	929,589	219,773	4,143,932	271,000	85,504
At 31 December 2014	903,088	228,681	3,452,470	300,722	112,895

13 Investment property

	2015 £
Fair value	
At 1 January 2015 and 31 December 2015	294,418

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Investment property

(Continued)

Had the property been valued in the accounts on a historical cost basis, it would be included at £294,418 (2014: £294,418).

14 Stocks

	2015 £	2014 £
Raw materials and consumables	3,105,240	3,098,570
Work in progress	1,437,325	1,778,240
Finished goods and goods for resale	4,207,606	4,214,509
	<u>8,750,171</u>	<u>9,091,319</u>

15 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	2,366,938	3,693,443
Corporation tax recoverable	149,402	-
Amount due from parent undertaking	1,377,963	1,438,738
Other debtors	312,956	186,061
Prepayments and accrued income	101,982	113,113
	<u>4,309,241</u>	<u>5,431,355</u>

16 Current asset investments

	2015 £	2014 £
Cash deposits maturing within one year	<u>833,333</u>	<u>833,333</u>

17 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	861,388	1,522,009
Amount due to parent undertaking	15,496	24,101
Corporation tax	-	389,828
Other taxation and social security	146,731	285,412
Other creditors	79,307	79,324
Accruals and deferred income	335,633	155,126
	<u>1,438,555</u>	<u>2,455,800</u>

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Provisions for liabilities

		2015 £	2014 £
Deferred tax liabilities	19	403,500	328,500
		<u>403,500</u>	<u>328,500</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	<u>403,500</u>	<u>328,500</u>
Movements in the year:		2015 £
Liability at 1 January 2015		328,500
Charge to profit or loss		75,000
Liability at 31 December 2015		<u>403,500</u>

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefits

The group operates a defined benefit pension scheme the assets of which are held in a separate trustee administered fund. A full actuarial valuation of the scheme was carried out as at 31 December 2015.

Amounts recognised in the balance sheet

	2015 £000	2014 £000
Fair value of scheme assets	62,326	64,517
Present value of scheme liabilities	(48,935)	(50,551)
Surplus (deficit) in the scheme	13,391	13,966
Effect of asset ceiling	(9,424)	(8,885)
Related deferred tax asset	3,967 (793)	5,081 (1,016)
Net pension surplus	3,174	4,065

Amounts recognised in the profit and loss account

	2015 £000	2014 £000
Current service cost	489	480
Net interest cost	(182)	(247)
Administrative costs	80	73
Net pension cost recognised in the profit and loss account	387	306

Amounts recognised in other comprehensive income

Actuarial (gains) losses	(1,590)	3,289
Return on scheme assets (excluding interest income)	2,098	(7,216)
Changes in asset ceiling (excluding interest income)	219	3,938
Net (gain) loss recognised in other comprehensive income	727	11

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefits

(Continued)

Change in scheme assets

	2015 £000	2014 £000
Fair value of scheme assets at 1 January 2015	64,517	56,830
Return on scheme assets (excluding interest income)	(2,098)	7,216
Insurance premiums for risk benefits	(18)	(25)
Member contributions	64	72
Benefits paid	(2,339)	(2,069)
Administrative costs	(80)	(73)
Interest income	2,280	2,566
Fair value of scheme assets at 31 December 2015	62,326	64,517
Total return on scheme assets	182	9,782

Change in scheme liabilities

	2015 £000	2014 £000
Scheme liabilities at 1 January 2015	50,551	46,703
Current service cost	489	480
Interest cost	1,778	2,101
Member contributions	64	72
Benefits paid	(2,339)	(2,069)
Insurance premiums for risk benefits	(18)	(25)
Actuarial (gains) losses	(1,590)	3,289
Scheme assets at 31 December 2015	48,935	50,551

Principal weighted average actuarial assumptions

Assumptions used to determine the scheme liabilities:	%	%
Discount rate	3.80%	3.60%
Rate of salary increases	3.30%	3.20%
Rate of RPI price inflation	3.80%	3.20%
Rate of CPI price inflation	2.30%	2.20%
Rate of pension increases capped at 5% per annum	2.30%	2.25%
Assumptions used to determine the net pension cost:		
Discount rate	3.60%	4.60%
Rate of salary increases	3.20%	3.90%
Rate of RPI price inflation	3.20%	3.90%
Rate of CPI price inflation	3.20%	2.90%
Rate of pension increases capped at 5% per annum	2.25%	2.90%

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Retirement benefits

(Continued)

Life expectancy assumptions on the post retirement mortality table used to determine benefit obligations:

	2015 Years	2014 Years
Member age 65 (current life expectancy)	22.60	22.60
Member age 45 (life expectancy at age 65)	25.50	25.40

	2015 £000	2014 £000
Balance sheet reconciliation		
Deficit in the scheme at 1 January	5,081	5,398
Recognised in the profit and loss account	(387)	(306)
Amounts recognised in other comprehensive income	(727)	(11)
Surplus in the scheme at 31 December	<u>3,967</u>	<u>5,081</u>

Defined contribution scheme

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Employee and employer contributions totalling £50,000 (2014: £47,000) were payable to the fund at the year end and are included in creditors.

	2015 £000	2014 £000
Charged to profit and loss account	<u>39</u>	<u>26</u>

21 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
1,600,002 Ordinary shares of £1 each	<u>1,600,002</u>	<u>1,600,002</u>

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases for land and buildings, which fall due as follows:

	2015 £	2014 £
Within one year	<u>26,542</u>	<u>26,109</u>

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

23 Capital commitments

	2015 £	2014 £
At 31 December 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	265,000	336,000
	<u>265,000</u>	<u>336,000</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015 £	2014 £
Aggregate compensation	491,458	620,692
	<u>491,458</u>	<u>620,692</u>

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

24 Related party transactions (Continued)

Transactions with related parties

	2015 £	2014 £
Aggregate sales made to group companies:	5,678,894	5,911,444
Brunner & Lay Inc. Brunner Canada Inc. Brunner & Lay Australia Pty		
Aggregate purchases from group companies:	92,814	165,381
Brunner & Lay Inc. Brunner Canada Inc.		
Freight recharges: Brunner & Lay Australia Pty	24,653	33,256

The amounts owed by/ to other group companies at the year end are as follows:

Amounts owed to Padley & Venables Limited by:	2015 £	2014 £
Brunner & Lay Inc.	316,495	603,949
Brunner & Lay Australia Pty	1,061,467	834,788
	1,377,962	1,438,737
Amounts owed by Padley & Venables Limited to:	2015 £	2014 £
Brunner & Lay Inc.	15,496	24,101
	15,496	24,101

The company is owed £72,410 (2014: £55,131) by the Padley and Venables Pension Fund as at the year end.

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

25 Directors' transactions

Loans have been granted by the company to its directors as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
F M Brunner - loan	3.25	2,566	162,974	3,236	2,566	166,210
		<u>2,566</u>	<u>162,974</u>	<u>3,236</u>	<u>2,566</u>	<u>166,210</u>

26 Controlling party

The company's ultimate parent undertaking is Brunner & Lay International Limited, a company incorporated in the USA. This is the only group to incorporate the results of the company.

27 Subsidiaries

The company has four subsidiaries at a total cost of investment of £8. The companies, which are registered in England and Wales, are as follows:-

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Crossbow Demolition Tools UK Limited	Dormant	Ordinary	100	
Crossbow Rock Drills UK Limited	Dormant	Ordinary	100	
Thomas Turton Limited UK	Dormant	Ordinary	100	
Bedford Rock Drill Components Limited UK	Dormant	Ordinary	100	

PADLEY & VENABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

28 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	268,634	2,028,785
Adjustments for:		
Taxation charged	115,081	545,546
Finance costs	846	2,820
Investment income	(185,990)	(324,110)
Gain on disposal of tangible fixed assets	(8,400)	(4,047)
Depreciation and impairment of tangible fixed assets	706,308	596,223
Pension scheme non-cash movement	569,000	541,000
Movements in working capital:		
Decrease in stocks	341,148	31,136
Decrease/(increase) in debtors	1,218,521	(568,855)
(Decrease)/increase in creditors	(571,186)	352,704
Cash generated from operations	<u>2,453,962</u>	<u>3,201,202</u>