

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2016
for
Carclo Technical Plastics Limited



Carclo Technical Plastics Limited

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for the Year Ended 31 March 2016

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Carclo Technical Plastics Limited

Company Information
for the Year Ended 31 March 2016

DIRECTORS:

R J Brooksbank
R J Ottaway
P N Ward
C J Malley

SECRETARY:

R J Ottaway

REGISTERED OFFICE:

Po Box 88
27 Dewsbury Road
Ossett
West Yorkshire
WF5 9WS

REGISTERED NUMBER:

03088344 (England and Wales)

AUDITOR:

KPMG LLP

Carclo Technical Plastics Limited

Strategic Report for the Year Ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was the manufacture and sale of injection moulded plastic components for the medical, optical and teletronics industries.

BUSINESS MODEL

The company's strategy is to develop new technologies and products to drive future growth on a global scale. The long term strategic intent is to achieve sustainable earnings growth for the company's shareholders whilst providing innovative and effective solutions for our customers.

This will be achieved by these three key tenets.

Innovation -

Identification of the best new technologies and methodologies to generate innovative solutions in order to introduce new products or to improve current production methods.

Manufacturing -

Development of the innovations alongside our existing capabilities to generate solutions and opportunities for our customers.

Customer Service -

Use of the Carclo group's global manufacturing network and scale to match customer requirements leading to maximised earnings for all involved.

REVIEW OF BUSINESS

Turnover at £17,535,570 increased from the prior year (2015: £17,395,165). There was an operating profit before rationalisation costs and amortisation of £364,185 (2015: £553,874 loss).

At the year end the company had net assets of £1,782,115 (2015: £1,673,619).

PRINCIPAL RISKS AND UNCERTAINTIES

The major business risk is from the demands of the customer base for sourcing from low cost regions. Although we are generally successful in ensuring that the customer relocates the work to another Carclo facility, this pressure ultimately results in our business losing the work. The uncertainty over the global economic recovery remains and this continues to promote volatility and insecurity for both the industries and customers served by the company which continues to enhance the risk profile for the business.

However the company serves a number of markets, such as medical, which have as yet remained mostly detached from general consumer activity and as such have, to date, been comparatively unaffected by the uncertainty in global demand. However should these markets be impacted then Carclo has a proven track record of acting swiftly to rebalance the supply base with demand.

The company uses engineering polymers to produce finished products. Polymers are produced from feedstock which is linked to oil and polymer prices which move in response to supply and demand and the underlying cost of feedstock. This potentially introduces volatility in the cost of raw materials. Oil prices were \$125 dollars per barrel at 1 April 2014 but have substantially decreased to approximately \$47 dollars per barrel by November 2016. The risk is managed in the main by negotiating pass through pricing whereby our customer accepts the risk of movements in base polymer prices.

The company's principal energy requirement is for electricity. Energy costs in the UK have remained relatively stable in recent years following their volatility in the latter part of the last decade. To mitigate the risk of price volatility the company is part of a UK corporate pool which enters into fixed tariffs on rolling contracts, typically six months in duration. This is done in consultation with independent energy consultants.

The company has revenues in various currencies and therefore faces a transaction risk as currencies fluctuate. The company aims to mitigate this risk through a natural hedge whereby sales revenues and costs in each currency are matched as far as practicable.

KEY PERFORMANCE INDICATORS

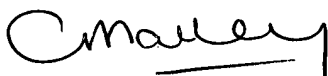
Turnover increased by 0.8% compared to the prior year.

Underlying operating profit margin increased to 2.1% (2015 - 3.2% - loss).

FUTURE DEVELOPMENTS

Manufacturing capacity has increased to satisfy customer demand increase. Growth in the UK medical device market has been strong and we have secured several new programs which will deliver growth into our Mitcham facility.

ON BEHALF OF THE BOARD:



Mr C J Malley - Director

Date: 22/12/16

Carclo Technical Plastics Limited

Report of the Directors for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

The directors present their report and the accounts of the company for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £106,155 (2015: £3,339,768 loss). Particulars of dividends paid are detailed in note 6 to the accounts.

STRATEGIC REPORT

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016 (2015 - £181,949).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

R J Brooksbank
R J Ottaway
P N Ward
C J Malley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Each of the persons who is a director at the date of approval of this report confirm that:

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

ON BEHALF OF THE BOARD:


.....
Mr C J Malley - Director

Date: 22/12/16

Report of the Independent Auditors to the Members of
Carclo Technical Plastics Limited

We have audited the financial statements of Carclo Technical Plastics Limited for the year ended 31 March 2016 set out on pages eight to twenty-five. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 set out on page three, 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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Carclo Technical Plastics Limited

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



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Date...22.12.16

Carclo Technical Plastics Limited

Income Statement
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
TURNOVER		17,535,570	17,395,165
Cost of sales		<u>(11,117,551)</u>	<u>(11,028,535)</u>
GROSS PROFIT		6,418,019	6,366,630
Administrative expenses		<u>(6,053,834)</u>	<u>(6,920,504)</u>
		364,185	(553,874)
Exceptional items	18	<u>173,464</u>	<u>(3,092,206)</u>
OPERATING PROFIT/(LOSS)		537,649	(3,646,080)
Interest payable and similar charges	3	<u>(44,882)</u>	<u>(93,000)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	492,767	(3,739,080)
Tax on profit/(loss) on ordinary activities	5	<u>(386,612)</u>	<u>399,312</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>106,155</u>	<u>(3,339,768)</u>

The notes form part of these financial statements

Carclo Technical Plastics Limited

Other Comprehensive Income
for the Year Ended 31 March 2016

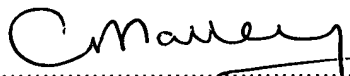
	Notes	31.3.16 £	31.3.15 £
PROFIT/(LOSS) FOR THE YEAR		106,155	(3,339,768)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Annual transfer revaluation from revaluation reserve against depreciation		12,654	12,654
Deferred tax arising		<u>(2,341)</u>	<u>(2,341)</u>
		10,313	10,313
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>116,468</u>	<u>(3,329,455)</u>

The notes form part of these financial statements

Balance Sheet
31 March 2016

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Intangible assets	7	3,380,562	3,380,562
Tangible assets	8	5,949,541	5,652,183
Deferred tax	10	<u>2,012,090</u>	<u>2,248,546</u>
		<u>11,342,193</u>	<u>11,281,291</u>
CURRENT ASSETS			
Stocks	9	2,966,969	2,436,158
Debtors	10	7,773,818	5,901,456
Asset held for sale	15	700,000	700,000
Cash in hand		<u>644,491</u>	<u>24,337</u>
		12,085,278	9,061,951
CREDITORS			
Amounts falling due within one year	11	<u>(21,645,356)</u>	<u>(18,669,623)</u>
NET CURRENT LIABILITIES		<u>(9,560,078)</u>	<u>(9,607,672)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,782,115</u></u>	<u><u>1,673,619</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000,001	1,000,001
Revaluation reserve	14	495,210	505,523
Retained earnings	14	<u>286,904</u>	<u>168,095</u>
SHAREHOLDERS' FUNDS		<u><u>1,782,115</u></u>	<u><u>1,673,619</u></u>

The financial statements were approved by the Board of Directors
on 22/12/16 and were signed on its behalf by:



Mr C J Malley - Director

Carclo Technical Plastics Limited

Statement of Changes in Equity
for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2014	1,000,001	3,677,158	515,836	5,192,995
Changes in equity				
Dividends	-	(181,949)	-	(181,949)
Total comprehensive income				
Profit for the year	-	(3,339,768)	-	(3,339,768)
Other comprehensive income	-	12,654	(10,313)	2,341
	<u>1,000,001</u>	<u>168,095</u>	<u>505,523</u>	<u>1,673,619</u>
Balance at 31 March 2015	<u>1,000,001</u>	<u>168,095</u>	<u>505,523</u>	<u>1,673,619</u>
Changes in equity				
Total comprehensive income				
Profit for the year	-	106,155	-	106,155
Other comprehensive income	-	12,654	(10,313)	2,341
	<u>1,000,001</u>	<u>286,904</u>	<u>495,210</u>	<u>1,782,115</u>
Balance at 31 March 2016	<u>1,000,001</u>	<u>286,904</u>	<u>495,210</u>	<u>1,782,115</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations - Business combinations that took place prior to 1 April 2014 have not been restated.
- Fair value or revaluation as deemed cost - At 1 April 2014, fair value has been used as deemed cost for properties previously measured at fair value.

The Company's ultimate parent undertaking, Carclo plc includes the Company in its consolidated financial statements. The consolidated financial statements of Carclo plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Springstone House PO Box 88, 27 Dewsbury Road, Ossett, WF5 9WS.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Carclo plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs. [In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the comparative profit and loss account has been re-presented so that the disclosures in relation to discontinued operations relate to all operations that have been discontinued by the balance sheet date.

Goodwill

On transition to FRS 101, goodwill at 1 April 2014 has been frozen and will not be amortised. Goodwill is allocated to cash generating units and is subject to an annual impairment review, with any impairment losses being recognised immediately in the income statement.

Tangible fixed assets

Items of property, plant and equipment are stated at cost, or at deemed cost less accumulated depreciation and impairment losses.

The company has taken the option provided by FRS 101 to use fair value on transition to FRS 101 as 'deemed cost' for freehold land and buildings.

Depreciation on property, plant and equipment is provided using the straight line method to write off the cost or valuation less estimated residual value, using the following depreciation rates -

Freehold Buildings - 2.9%
Leasehold property - 10%
Plant & Machinery - 10- 33%
Motor Vehicles - 25%

Freehold land is not depreciated.

Provision is made for any impairment.

A revaluation surplus was recognised in respect of freehold land and buildings on transition to FRS 101. The company transfers a relevant portion of this revaluation reserve to retained earnings as these assets are depreciated and the balance will be transferred on ultimate disposal.

Turnover

Turnover from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or if there is continuing managerial involvement with the goods.

With regard to sub contract tooling contracts, the company uses the "percentage of completion" method to determine the appropriate amount of revenue to be recognised in a given period when the outcome can be measured reliably. Costs incurred to date as a percentage of total cost of completion represent the "percentage of completion". Costs on such tooling contracts are recognised when incurred, unless they create an asset related to future activity on the contract. When it is probable that the total costs of a contract will exceed the total revenue, then the loss is recognised as an expense immediately.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

Financial instruments

The company uses derivative financial instruments to hedge its exposure to foreign exchange rate risks arising from operational activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement of fair values is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. At the year end no derivative financial instruments qualified for hedge accounting.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Non-current assets held for sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Research and development

Expenditure on is written off in the year in which it is incurred. Development costs are capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources enable to project to be completed. Any such capitalised development costs are amortised from the date at which they become available for use over a period of up to 12 years. Impairment reviews are undertaken when impairment indicators are identified.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Leases where the company assumes substantially all the risks and rewards of ownership are classified as finance leases, where this is not the case they are treated as operating leases. Amounts payable under operating leases are charged to net operating expenses on a straight line basis over the lease term. The company currently has no material finance leases.

Pensions

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Carclo plc is legally the sponsor of the scheme and recognises the net defined cost for the scheme as a whole less the contributions of other plan participants. Accordingly the company accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. During the period this charge was £Nil (2015 - £Nil). Full details of the financial assumptions used to assess the scheme's assets and liabilities can be found in the accounts of Carclo plc. During the year ended 31 March 2011 the company elected to cease future accrual for existing members of the defined benefit scheme and members transferred to the 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. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic review.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2. EMPLOYEES AND DIRECTORS

	31.3.16	31.3.15
	£	£
Wages and salaries	5,360,598	5,877,080
Social security costs	513,074	473,471
Other pension costs	196,940	212,521
	<u>6,070,612</u>	<u>6,563,072</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

2. EMPLOYEES AND DIRECTORS - continued

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

	31.3.16	31.3.15
Employees including directors	<u>166</u>	<u>255</u>

	31.3.16 £	31.3.15 £
Directors' remuneration	<u>131,588</u>	<u>119,278</u>

Mr R J Brooksbank and Mr C J Malley were also directors of the holding company and fellow subsidiary undertakings and Mr R Ottaway was also a director of fellow subsidiary undertakings. Mr E Cook was a director of fellow subsidiary undertakings in the prior year. During their tenure as directors of the company these directors received remuneration of £777,376 (2015 - £843,398), all of which was paid by the holding company.

The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary undertakings.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.16 £	31.3.15 £
Bank interest	<u>44,882</u>	<u>93,000</u>

4. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation (2015 - loss before taxation) is stated after charging/(crediting):

	31.3.16 £	31.3.15 £
Cost of inventories recognised as expense	7,056,142	7,746,403
Hire of plant and machinery	93,893	98,565
Other operating leases	250,108	228,679
Depreciation - owned assets	726,201	737,799
Profit on disposal of fixed assets	(13,360)	-
Auditor's remuneration	<u>16,000</u>	<u>25,000</u>

5. TAXATION

Analysis of tax expense/(income)

	31.3.16 £	31.3.15 £
Current tax:		
Prior year adjustment	147,815	183,481
Origination and reversal of temporary differences		
Deferred tax	<u>238,797</u>	<u>(582,793)</u>
Total tax expense/(income) in income statement	<u>386,612</u>	<u>(399,312)</u>

5. TAXATION - continued

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	31.3.16 £	31.3.15 £
Profit/(loss) on ordinary activities before income tax	<u>492,767</u>	<u>(3,739,080)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	98,553	(785,207)
Effects of:		
Temporary differences	238,797	(238,630)
Other items not deductible for tax purposes	-	234,545
Tax losses	-	263,394
Adjustment to current tax in respect of prior periods	147,815	183,481
Effect of transition to FRS 101	-	(56,895)
Group relief	<u>(98,553)</u>	<u>-</u>
Tax expense/(income)	<u>386,612</u>	<u>(399,312)</u>

6. DIVIDENDS

	31.3.16 £	31.3.15 £
Ordinary shares of £1 each		
Final	<u>-</u>	<u>181,949</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2015	
and 31 March 2016	<u>5,200,870</u>
AMORTISATION	
At 1 April 2015	
and 31 March 2016	<u>1,820,308</u>
NET BOOK VALUE	
At 31 March 2016	<u>3,380,562</u>
At 31 March 2015	<u>3,380,562</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

8. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
COST				
At 1 April 2015	2,000,000	199,911	7,779,094	9,979,005
Additions	117,188	90,250	820,320	1,027,758
Disposals	-	-	(4,199)	(4,199)
At 31 March 2016	<u>2,117,188</u>	<u>290,161</u>	<u>8,595,215</u>	<u>11,002,564</u>
DEPRECIATION				
At 1 April 2015	26,011	119,705	4,181,106	4,326,822
Charge for year	<u>50,794</u>	<u>36,918</u>	<u>638,489</u>	<u>726,201</u>
At 31 March 2016	<u>76,805</u>	<u>156,623</u>	<u>4,819,595</u>	<u>5,053,023</u>
NET BOOK VALUE				
At 31 March 2016	<u>2,040,383</u>	<u>133,538</u>	<u>3,775,620</u>	<u>5,949,541</u>
At 31 March 2015	<u>1,973,989</u>	<u>80,206</u>	<u>3,597,988</u>	<u>5,652,183</u>

9. STOCKS

	31.3.16 £	31.3.15 £
Stocks	790,172	650,207
Work-in-progress	-	46,389
Finished goods	<u>2,176,797</u>	<u>1,739,562</u>
	<u>2,966,969</u>	<u>2,436,158</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16 £	31.3.15 £
Trade debtors	2,500,195	2,696,742
Amounts owed by group undertakings	4,014,568	2,692,984
Other debtors	987,688	259,659
Prepayments and accrued income	<u>271,367</u>	<u>252,071</u>
	<u>7,773,818</u>	<u>5,901,456</u>

Amounts owed by group undertakings are non-interest bearing, unsecured and have no fixed payment date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

10. NON CURRENT ASSETS: DEFERRED TAX

Deferred tax asset	31.3.16	31.3.15
	£	£
Tangible fixed assets	2,012,090	1,994,444
Tax losses	-	254,102
	<u>2,012,090</u>	<u>2,248,546</u>

The deferred tax asset recognised in respect of tangible fixed assets comprises of a £2,211,506 asset (2015 - £2,201,144) against plant and machinery and motor vehicles and a £199,416 (2015 – £206,700) liability against freehold property.

On the basis of their assessment of the company's forecast future performance and of its historical profitability, the directors have a reasonable expectation that the company will generate sufficient, suitable taxable profits against which the deferred tax assets can be recovered.

Deferred tax assets and liabilities at 31 March 2016 have been calculated based on the rates substantively enacted at the balance sheet date. The UK Finance (No.2) Bill 2015 provides for reductions in the UK corporation tax rate from 20% to 19% in the year commencing 1 April 2017 and then to 18% from 1 April 2020; these rates became substantively enacted on 26 October 2015. In the UK Budget on March 2016, the Chancellor announced an additional planned reduction in the UK corporation tax rate to 17% from 1 April 2020. This rate has not been substantively enacted at the balance sheet date.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade creditors	1,519,742	767,765
Overdrafts	2,140,685	2,231,104
Amounts owed to group undertakings	17,306,392	14,334,543
Social security and other taxes	150,067	153,835
Other creditors	-	414,912
Accruals and deferred income	<u>528,470</u>	<u>767,464</u>
	<u>21,645,356</u>	<u>18,669,623</u>

The bank overdraft facility is secured by way of a floating charges over other assets of the company. Interest is payable at the floating rate of LIBOR + 1.7%.

Amounts owed to group undertakings are non-interest bearing, unsecured and have no fixed payment date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

12. LEASING AGREEMENTS

Non-cancellable operating leases rentals are payable as follows:

	31.3.16	31.3.15
	£	£
Within one year	163,950	284,138
Between one and five years	1,079,078	899,769
In more than five years	<u>344,295</u>	<u>236,781</u>
	<u>1,587,323</u>	<u>1,420,688</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.16	31.3.15
			£	£
1,000,001	Ordinary	£1	<u>1,000,001</u>	<u>1,000,001</u>

14. RESERVES

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2015	168,095	505,523	673,618
Profit for the year	106,155	-	106,155
Other comprehensive income	<u>12,654</u>	<u>(10,313)</u>	<u>2,341</u>
At 31 March 2016	<u>286,904</u>	<u>495,210</u>	<u>782,114</u>

15. ASSETS HELD FOR SALE

At the year-end surplus land and buildings with a written down value of £0.700 million have been reclassified as being held for sale. This relates to the property at the closed Harthill, Scotland site. These assets are being actively marketed with an expectation that they will be sold within the next year.

16. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2016 the overdraft facilities amounted to £10,000,000 (2015 - £10,000,000) of which £751,989 (2015 - £1,450,452) had been utilised.

The company has also provided an upstream guarantee to the parent company, Carclo plc, in respect of certain bank loan and overdraft facilities. At 31 March 2016 the total bank facilities available to the parent company amounted to £30,000,000 (2015 - £30,000,000) of which £30,746,000 (2015 - £29,660,000) had been utilised.

There is a floating charge over the company's assets in respect of the above guarantees.

The company had £Nil capital commitments at the period end (2015 - £Nil).

17. PENSIONS

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £196,940 (2015 - £212,521). Contributions amounting to £14,930 (2015 - £16,255) were payable to the scheme at the year end and are included in creditors.

18. EXCEPTIONAL ITEMS

During the period £173,464 of provision was released in respect of reorganisation costs following the closure of the company's Harthill, Scotland site in the prior year.

19. POST BALANCE SHEET EVENTS

After the period one of the properties under 'assets Held for sale' was sold for £0.500 million net of costs. The remaining property is being actively marketed with an expectation that it will be sold within the next year.

20. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Springstone House, 27 Dewsbury Road, Ossett, WF5 9WS.

21. RELATED UNDERTAKINGS

At the period end, the company does not have any related undertakings which would require disclosure under section 409 of the Companies Act 2006.

Carclo Technical Plastics Limited

Reconciliation of Equity

1 April 2014

(Date of Transition to FRS 101)

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Intangible assets	i	3,380,562	-	3,380,562
Tangible assets	ii	7,662,923	632,928	8,295,851
Deferred tax	iii	-	2,241,262	2,241,262
		<u>11,043,485</u>	<u>2,874,190</u>	<u>13,917,675</u>
CURRENT ASSETS				
Stocks		2,999,102	-	2,999,102
Debtors		7,809,660	(2,455,246)	5,354,414
Cash in hand		178,918	-	178,918
		<u>10,987,680</u>	<u>(2,455,246)</u>	<u>8,532,434</u>
CREDITORS				
Amounts falling due within one year		(17,257,114)	-	(17,257,114)
NET CURRENT LIABILITIES		<u>(6,269,434)</u>	<u>(2,455,246)</u>	<u>(8,724,680)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,774,051</u>	<u>418,944</u>	<u>5,192,995</u>
NET ASSETS		<u>4,774,051</u>	<u>418,944</u>	<u>5,192,995</u>
CAPITAL AND RESERVES				
Called up share capital		1,000,001	-	1,000,001
Revaluation reserve	i	-	515,836	515,836
Retained earnings	i, ii	3,774,050	(96,892)	3,677,158
SHAREHOLDERS' FUNDS		<u>4,774,051</u>	<u>418,944</u>	<u>5,192,995</u>

The notes form part of these financial statements

Carclo Technical Plastics Limited

Reconciliation of Equity - continued
31 March 2015

	Notes	UK UK GAAP £	Effect of transition transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Intangible assets	i	3,120,518	260,044	3,380,562
Tangible assets	ii	5,731,909	(79,726)	5,652,183
Deferred tax	iii	-	2,248,546	2,248,546
		<u>8,852,427</u>	<u>2,428,864</u>	<u>11,281,291</u>
CURRENT ASSETS				
Stocks		2,436,158	-	2,436,158
Debtors		8,356,702	(2,455,246)	5,901,456
Asset held for sale		-	700,000	700,000
Cash in hand		<u>24,337</u>	<u>-</u>	<u>24,337</u>
		<u>10,817,197</u>	<u>(1,755,246)</u>	<u>9,061,951</u>
CREDITORS				
Amounts falling due within one year		(18,669,623)	-	(18,669,623)
NET CURRENT LIABILITIES		<u>(7,852,426)</u>	<u>(1,755,246)</u>	<u>(9,607,672)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,000,001</u>	<u>1,673,619</u>	<u>1,673,619</u>
NET ASSETS		<u>1,000,001</u>	<u>1,673,619</u>	<u>1,673,619</u>
CAPITAL AND RESERVES				
Called up share capital		1,000,001	-	1,000,001
Revaluation reserve	ii	-	505,523	505,523
Retained earnings	i, ii	-	168,095	168,095
SHAREHOLDERS' FUNDS		<u>1,000,001</u>	<u>673,618</u>	<u>1,673,619</u>

The notes form part of these financial statements

Notes to the reconciliation of equity

i) Goodwill

Goodwill has been frozen at 1 April 2014, amortisation has ceased and has been replaced by impairment reviews. There was no resulting impairment at 1 April 2014 or 31 March 2015. At 31 March 2015 a reversal of the amortisation charge of £260,044 has been credited to the income statement and intangible fixed assets have been increased by the same amount.

ii) Revaluation of property

Upon transition to FRS 101 the company has taken the "deemed cost" exemption to value freehold land and buildings at fair value on the date of transition 1 April 2014. This has resulted in a credit to the revaluation reserve of £515,836 net of deferred tax arising upon transition. In the year to 31 March 2015 £10,313 net of tax was released from the revaluation reserve to retained earnings.

iii) Deferred tax

As required by FRS 101 deferred tax has been classified as a non-current asset, previously a current asset under old UKGAAP. Additionally a deferred tax liability has been recognised on revalued land and buildings on transition.

iv) Asset held for sale

At 31 March 2015 in accordance with FRS 101 surplus land and buildings with a written down value of £0.700 million have been recognised as being held for sale. This relates to the property at the closed Harthill, Scotland site. These assets are being actively marketed with an expectation that they will be sold within the next year.

Carclo Technical Plastics Limited

Reconciliation of Loss
for the Year Ended 31 March 2015

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
TURNOVER	17,395,165	-	17,395,165
Cost of sales	<u>(11,028,535)</u>	-	<u>(11,028,535)</u>
GROSS PROFIT	6,366,630	-	6,366,630
Administrative expenses	(7,167,894)	247,390	(6,920,504)
Exceptional items	<u>(3,092,206)</u>	-	<u>(3,092,206)</u>
OPERATING LOSS	(3,893,470)	247,390	(3,646,080)
Interest payable and similar charges	<u>(93,000)</u>	-	<u>(93,000)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(3,986,470)	247,390	(3,739,080)
Tax on loss on ordinary activities	<u>394,369</u>	<u>4,943</u>	<u>399,312</u>
LOSS FOR THE FINANCIAL YEAR	<u>(3,592,101)</u>	<u>252,333</u>	<u>(3,339,768)</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Annual transfer revaluation from revaluation reserve against depreciation		12,654	12,654
Deferred tax arising		<u>(2,341)</u>	<u>(2,341)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>262,646</u>	<u>(3,329,455)</u>

The notes form part of these financial statements