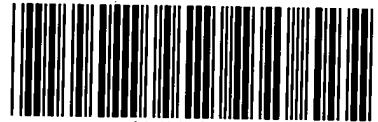


COMPANY REGISTRATION NUMBER 3088344

CARCLO TECHNICAL PLASTICS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 2015

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CARCLO TECHNICAL PLASTICS LIMITED

ACCOUNTS

YEAR ENDED 31 MARCH 2015

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CARCLO TECHNICAL PLASTICS LIMITED

COMPANY INFORMATION

The board of directors

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

Company secretary

Mr R Ottaway

Registered office

Springstone House
P O Box 88
27 Dewsbury Road
Ossett
WF5 9WS

Auditor

KPMG LLP
Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

CARCLO TECHNICAL PLASTICS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

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.

BUSINESS REVIEW AND RESULTS

Turnover at £17,395,165 decreased from the prior year (2014: £21,448,269). There was an operating loss before rationalisation costs and amortisation of £(541,220) (2014: £703,832 loss).

At the year end the company had net assets of £1,000,001 (2014: £4,774,051).

During the period the closure of the company's non-medical operation at Harthill, UK was completed. This business had been loss making for several years despite our best efforts and those of our dedicated workforce. These losses were partly attributable to the small size of this plant versus the overhead structure required to manage such a facility. The closure will enable the company to exit from lower margin work and has allowed for some reallocation of the higher margin and more sustainable programs to our Mitcham plant.

As a result of the closure £3,092,206 of costs have been recognised in the company's accounts following an impairment review of the remaining assets and the occurrence of other rationalisation costs.

KEY PERFORMANCE INDICATORS

Turnover decreased by 19.9% compared to the prior year.

Underlying operating profit margin increased to (3.1)% (2014 - 3.3%).

CARCLO TECHNICAL PLASTICS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

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 \$83 dollars per barrel at 1 April 2010 but have substantially decreased to approximately \$46 dollars per barrel by September 2015. 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.

FUTURE DEVELOPMENTS

We have initiated additional manufacturing capacity in our Mitcham facility during this current year to satisfy customer demand increase. Following the completed closure of our loss making Harthill operation several of the existing programs have transferred out of the company.

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.

Signed by order of the directors



MR R OTTAWAY
Company Secretary

Approved by the directors on 9 December 2015

CARCLO TECHNICAL PLASTICS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the accounts of the company for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The loss for the year amounted to £3,592,101 (2014: £1,100,374 loss). Particulars of dividends paid are detailed in note 9 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.

DIRECTORS

The directors who served the company during the year were as follows:

Mr P N Ward

Mr C J Malley

Mr R J Brooksbank

Mr RJ Ottaway (Appointed 31 March 2015)

Mr E Cook (Resigned 31 March 2015)

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy to abide by the terms of payment agreed with suppliers in respect of all goods and services properly invoiced to the company and group. The terms may be the suppliers' standard terms or such other agreed terms for specific transactions as appropriate. No code or standard is followed.

At 31 March 2015 the company had an average of 40 (31 March 2014 - 45) days' purchases outstanding in trade creditors.

AUDITOR

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.

CARCLO TECHNICAL PLASTICS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Registered office:
Springstone House
P O Box 88
27 Dewsbury Road
Ossett
WF5 9WS

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'Richard Ottaway', written in a cursive style.

MR R OTTAWAY
Company Secretary

Approved by the directors on 9 December 2015

CARCLO TECHNICAL PLASTICS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2015

The directors are responsible for preparing the Strategic Report, Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 year.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 accounts;
- prepare the accounts 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 accounts 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.

CARCLO TECHNICAL PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARCLO TECHNICAL PLASTICS LIMITED

YEAR ENDED 31 MARCH 2015

We have audited the accounts of Carclo Technical Plastics Limited for the year ended 31 March 2015 as set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 6, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts 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 ACCOUNTS

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 ACCOUNTS

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

CARCLO TECHNICAL PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARCLO TECHNICAL PLASTICS LIMITED (continued)

YEAR ENDED 31 MARCH 2015

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 accounts 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.



MIKE BARRADELL (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

9 December 2015

CARCLO TECHNICAL PLASTICS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	2	17,395,165	21,448,269
OPERATING LOSS		(3,893,470)	(963,876)
Attributable to:			
Operating loss before exceptional items		(801,264)	(963,876)
Exceptional items	4	(3,092,206)	–
		(3,893,470)	(963,876)
Net interest payable	7	(93,000)	(92,134)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,986,470)	(1,056,010)
Tax on loss on ordinary activities	8	394,369	(44,364)
LOSS FOR THE FINANCIAL YEAR		(3,592,101)	(1,100,374)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 23 form part of these accounts.

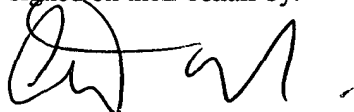
CARCLO TECHNICAL PLASTICS LIMITED

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	3,120,518	3,380,562
Tangible assets	12	5,731,909	7,662,923
		<u>8,852,427</u>	<u>11,043,485</u>
CURRENT ASSETS			
Stocks	13	2,436,158	2,999,102
Debtors	14	8,356,702	7,809,660
Cash in hand		24,337	178,918
		<u>10,817,197</u>	<u>10,987,680</u>
CREDITORS: Amounts falling due within one year	16	<u>(18,669,623)</u>	<u>(17,257,114)</u>
NET CURRENT LIABILITIES		<u>(7,852,426)</u>	<u>(6,269,434)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,000,001</u>	<u>4,774,051</u>
CAPITAL AND RESERVES			
Called-up share capital	20	1,000,001	1,000,001
Profit and loss account	21	–	3,774,050
SHAREHOLDERS' FUNDS	22	<u>1,000,001</u>	<u>4,774,051</u>

These accounts were approved by the directors and authorised for issue on 9 December 2015, and are signed on their behalf by:



MR P N WARD
Director

Company Registration Number: 3088344

The notes on pages 11 to 23 form part of these accounts.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

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

On the basis of their assessment of the company's financial position and of its forecast future performance, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. The parent company has pledged to support the company in its activities for the forthcoming year and to meet its funding requirement over the same period which includes consideration over whether to call in the outstanding intercompany debt. On this basis the company's directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

As permitted by FRS 1 (revised 1996) - 'Cash Flow Statements', the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

Related party transactions

The company has taken advantage of the exemption to FRS 8 from disclosing transactions with related parties that are subsidiaries of Carclo plc.

Turnover

Revenue 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 regards 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 estimated reliably. Costs incurred to date as a percentage of total cost of completion represent the "percentage cost 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.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is 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 exceed related future sales and adequate resources exist to enable the project to be completed. Any such carried forward development expenditure is amortised from the date upon which it becomes available for use over a period of up to 12 years.

Goodwill

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal instalments over its estimated useful life of up to a maximum of 20 years. Provision is made for any impairment.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 5%
----------	------

Fixed assets

Tangible fixed assets are shown at cost.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	- 2%
Leasehold Property	- 12.5%
Plant & Machinery	- 10 - 33%
Motor Vehicles	- 25%

Provision is made for any impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company participates in a group wide pension scheme, Carclo Group Pension Scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', 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.

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.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on a liability or asset if the transactions or events that give rise to an obligation to pay more tax in the future or a right to pay less tax in future have occurred by the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contracts is used.

Financial instruments

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the accounts.

Grants

Government and other similar grants are credited to a deferred income account and are recognised in the profit and loss account so as to match them with the expenditure to which they are intended to contribute.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

2. TURNOVER

Turnover is attributable to one continuing activity, the manufacture of moulded plastic components.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	6,433,943	7,593,861
Rest of Europe	7,055,331	9,665,447
Rest of world	3,905,891	4,188,961
	<u>17,395,165</u>	<u>21,448,269</u>

3. OPERATING LOSS BEFORE EXCEPTIONAL ITEMS

The operating loss before exceptional items is arrived at as follows:

	2015 £	2014 £
Turnover	17,395,165	21,448,269
Finished goods and work in progress stock change	(241,192)	(410,028)
Raw materials and consumables	(6,708,157)	(7,799,163)
Employee costs (note 5)	(6,563,072)	(7,632,592)
Depreciation (note 12)	(784,401)	(989,725)
Goodwill amortisation (note 11)	(260,044)	(260,044)
Government grant released	10,000	10,000
Profit/(loss) on disposal of fixed assets	–	3,415
Operating lease rentals - plant and machinery	(98,565)	(127,624)
Operating lease rentals - property	(228,679)	(236,546)
Auditor remuneration - audit work	(25,000)	(23,600)
Management charge	(732,902)	(884,307)
Other operating charges	(2,564,417)	(4,061,931)
	<u>(801,264)</u>	<u>(963,876)</u>

4. EXCEPTIONAL ITEMS

A decision was made during the current year to close the loss making site in Harthill, Scotland. During the year the closure completed and an impairment review of the remaining assets was also been completed. Freehold land and buildings at the closed site have been impaired to their recoverable amount generating a charge of £868,362. Plant and machinery was disposed during the year at a loss of £850,301. Redundancy costs of £579,349 and business reorganisation costs of £794,194 have been recognised.

These expenses are classified as exceptional costs within the profit and loss account and total £3,092,206.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

5. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 212 (2014 - 255).

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	5,877,080	6,729,958
Social security costs	473,471	693,037
Other pension costs	212,521	209,597
	<u>6,563,072</u>	<u>7,632,592</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Remuneration receivable	<u>119,278</u>	<u>151,271</u>

Mr R J Brooksbank and Mr C J Malley were also directors of the holding company and fellow subsidiary undertakings and Mr E Cook was also a director of fellow subsidiary undertakings. During their tenure as directors of the company these directors received remuneration of £843,398 (2014 - £509,000), 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.

7. NET INTEREST PAYABLE

	2015	2014
	£	£
Interest payable on bank borrowing	<u>93,000</u>	<u>92,134</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of credit in the year

	2015 £	2014 £
Current tax:		
UK Corporation tax based on the results for the year at 21% (2014 - 23%)	-	(204,749)
Adjustment in respect of prior years	<u>183,481</u>	<u>-</u>
Total current tax charge/(credit)	<u>183,481</u>	<u>(204,749)</u>
Deferred tax:		
Origination and reversal of timing differences	(577,850)	(33,200)
Effect of decreased tax rate	<u>-</u>	<u>281,610</u>
	<u>(577,850)</u>	<u>248,410</u>
Adjustment in respect of previous years:		
Deferred tax	<u>-</u>	<u>703</u>
Total deferred tax (credit)/charge (note 15)	<u>(577,850)</u>	<u>249,113</u>
Tax (credit)/charge on loss on ordinary activities	<u>(394,369)</u>	<u>44,364</u>

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The reasons are as follows:

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(3,986,470)</u>	<u>(1,056,010)</u>
Loss on ordinary activities by rate of tax	(837,159)	(242,882)
Capital allowances in excess of depreciation	343,287	39,481
Permanent differences	234,545	(420)
Tax losses created	263,394	-
Short term timing differences	(4,067)	(928)
Adjustments to tax charge in respect of previous periods	<u>183,481</u>	<u>-</u>
Total current tax (note 8(a))	<u>183,481</u>	<u>(204,749)</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

9. DIVIDENDS

Equity dividends

	2015 £	2014 £
Paid during the year:		
Dividends on equity shares	<u>181,949</u>	<u>—</u>

10. SPAREP99 USER DEFINED HEADING

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11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2014 and 31 March 2015	<u>5,200,870</u>
AMORTISATION	
At 1 April 2014	1,820,308
Charge for the year	<u>260,044</u>
At 31 March 2015	<u>2,080,352</u>
NET BOOK VALUE	
At 31 March 2015	<u>3,120,518</u>
At 31 March 2014	<u>3,380,562</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Short Leasehold Land & Buildings £	Plant & Machinery £	Total £
COST				
At 1 April 2014	3,886,770	195,788	11,044,721	15,127,279
Additions	–	4,123	567,927	572,050
Disposals	–	–	(3,833,554)	(3,833,554)
At 31 March 2015	3,886,770	199,911	7,779,094	11,865,775
DEPRECIATION				
At 1 April 2014	917,456	108,381	6,438,519	7,464,356
Charge for the year	47,237	11,324	725,840	784,401
Impairment for the year	868,362	–	–	868,362
On disposals	–	–	(2,983,253)	(2,983,253)
At 31 March 2015	1,833,055	119,705	4,181,106	6,133,866
NET BOOK VALUE				
At 31 March 2015	2,053,715	80,206	3,597,988	5,731,909
At 31 March 2014	2,969,314	87,407	4,606,202	7,662,923

13. STOCKS

	2015 £	2014 £
Raw materials	650,207	971,959
Work in progress	46,389	160,558
Finished goods	1,739,562	1,866,585
	2,436,158	2,999,102

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

14. DEBTORS

Due within one year

	2015	2014
	£	£
Trade debtors	2,696,742	4,137,204
Amounts owed by group undertakings	2,692,984	973,131
Corporation tax receivable	—	204,749
Other debtors	259,659	350,656
Prepayments and accrued income	252,071	266,524
Deferred taxation (note 15)	2,455,246	1,877,396
	<u>8,356,702</u>	<u>7,809,660</u>

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

15. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2015	2014
	£	£
Included in debtors (note 14)	<u>2,455,246</u>	<u>1,877,396</u>

The movement in the deferred taxation account during the year was:

	2015	2014
	£	£
Balance brought forward	1,877,396	2,126,509
Profit and loss account movement arising during the year	577,850	(249,113)
Balance carried forward	<u>2,455,246</u>	<u>1,877,396</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of depreciation over taxation allowances	2,201,144	1,877,396
Tax losses	254,102	—
	<u>2,455,246</u>	<u>1,877,396</u>

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.

The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

16. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Overdrafts	2,231,104	3,372,127
Trade creditors	767,766	2,053,229
Amounts owed to group undertakings	14,334,542	10,905,335
Other taxation and social security	153,835	207,522
Other creditors	414,912	116,606
Accruals and deferred income	767,464	602,295
	<u>18,669,623</u>	<u>17,257,114</u>

The bank overdraft facility is secured by way of a fixed charge over the freehold land and buildings and 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.

17. PENSIONS

The pension charge for the period represents contributions payable by the company to the scheme and amounted to £212,521 (2014 - £209,597). Contributions amounting to £16,255 (2014 - £16,256) were payable to the scheme at the year end and are included in creditors.

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	-	79,779	-	121,797
After more than 5 years	228,679	18,786	233,375	18,786
	<u>228,679</u>	<u>98,565</u>	<u>233,375</u>	<u>140,583</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

19. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2015 the overdraft facilities amounted to £10,000,000 (2014 - £7,000,000) of which £1,450,452 (2014 - £1,354,000) 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 2015 the total bank facilities available to the parent company amounted to £30,000,000 (2014 - £20,000,000) of which £29,660,000 (2014 - £17,569,000) had been utilised.

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

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000,001</u>	<u>1,000,001</u>	<u>1,000,001</u>	<u>1,000,001</u>

21. RESERVES

	Profit and loss account £
Balance brought forward	3,774,050
Loss for the year	(3,592,101)
Equity dividends	(181,949)
Balance carried forward	<u>—</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Loss for the financial year	(3,592,101)	(1,100,374)
Equity dividends	(181,949)	—
Net reduction to shareholders' funds	(3,774,050)	(1,100,374)
Opening shareholders' funds	<u>4,774,051</u>	<u>5,874,425</u>
Closing shareholders' funds	<u>1,000,001</u>	<u>4,774,051</u>

23. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £Nil (2014 - £100,000).

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2015

24. 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.