

Registered No. 03402476

Kautex Textron CVS Limited

Report and Financial Statements

31 December 2016

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COMPANIES HOUSE

Kautex Textron CVS Limited

Directors

D Busch
K Koenig

Secretary

P A Preston

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol BS1 6BX

Bankers

Bank of America Merrill Lynch
2 King Edward Street
London EC1A 1HQ

Solicitors

Warren Murton
23 Bedford Row
London WC1R 4EB

Registered office

23 Bedford Row
London WC1R 4EB

Registered No. 03402476

Kautex Textron CVS Limited

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Strategic report

Results and dividends

The profit for the year after taxation amounted to £6,200k (2015 – £5,327k).

The directors do not recommend a final dividend (2015 – £nil).

Dividends paid in the year amounted to £nil (2015 – £nil)

Principal activity and review of the business

The company's principal activity during the year continued to be the manufacture and distribution of washer systems for the automotive industry.

The company's key performance indicators during the year were as follows:

	2016 £000	2015 £000
Turnover	35,095	32,988
Operating profit	5,495	5,289
Profit after tax	6,200	5,327
Shareholders' funds	24,686	18,311

Turnover in 2016 has increased from 2015 by 6% which was due to planned increased demand from new vehicle launches and some increases in existing programs.

Administration expenses also include an exceptional charge which includes engineering project results.

Continued emphasis is being placed on cost reduction, continuous improvement, and the development of new products. This has been seen in the maintaining of margin and fixed costs levels.

Principal risks and uncertainties

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties are broadly grouped as competitive, legislative and financial risk.

Competitive risks

Largely owing to the nature of the market in the UK, the company has faced very strong competition in recent years. The company puts strong emphasis on its excellent service levels, quality of its product and competitive pricing to its customer base to maintain its position within the market.

Legislative risks

Risk within the UK industry is controlled by specific recognised bodies who provide good practice and standards to follow.

Financial risks

The company has established a risk and financial management framework the primary objectives of which are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

On behalf of the Board

J Rautenstrauch
Director

Date: September 21, 2017



Directors' report

The directors present their report and financial statements for the year ended 31 December 2016.

Going concern

In forming its opinion as to going concern, the directors prepare a working capital forecast based upon its assumptions as to operating, investing and financing activities as well as taking into account the expected available borrowing facilities with its parent undertaking or other affiliates of the ultimate parent undertaking. The directors also consider alternative scenarios in assessing the business variables and key risks and uncertainties, both as highlighted in the strategic report. Based upon these, the directors have concluded that the company has adequate resources to maintain working capital and therefore confirm their belief that it is appropriate to use the going concern basis of preparation for the financial statements of the company.

Future developments

Management aim to maintain the company policies to improve sales through innovation and new product development.

Directors

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

S Evans (resigned 4th March 2016)
D Busch (resigned 29th March 2017)
K Koenig (resigned 6th June 2017)
J Rautenstrauch (appointed 6th April 2017)
J Perez Pascual (appointed 7th June 2017)

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, the company newsletter and the Textron 'Our Voice' survey. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Use of derivatives

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

Directors' report (continued)

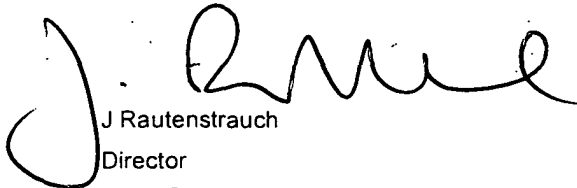
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP, will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this Report and Financial Statements are sent to members unless a resolution is passed under section 488 of the Companies Act 2006 to the effect that they should not be re-appointed.

On behalf of the Board



J Rautenstrauch

Director

Date: September 21, 2017

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Kautex Textron CVS Limited

We have audited the financial statements of Kautex Textron CVS Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of changes in equity and the Balance Sheet and the related notes 1 to 19. 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 FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 5, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; 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, based on the work undertaken in the course of the audit:

- ▶ 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.

Independent Auditor's Report to the Members of Kautex Textron CVS Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006 (continued)

- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

Ken Griffin (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

27 September 2017.

Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Turnover	2	35,095	32,988
Cost of sales		(27,528)	(25,513)
Gross Profit		7,567	7,475
Distribution costs		(547)	(447)
Administrative expenses		(1,525)	(1,739)
Operating Profit	3	5,495	5,289
Interest payable and similar charges	6	36	38
Profit on ordinary activities before taxation		5,531	5,327
Tax	7	669	-
Profit for the financial year		6,200	5,327

All amounts relate to continuing activities.

Statement of changes in equity

for the year ended 31 December 2016

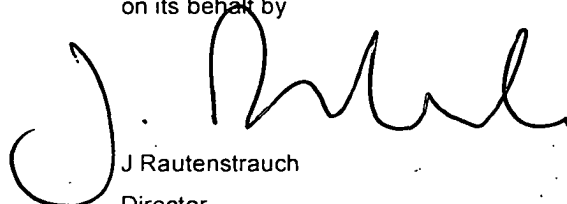
	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2015	541	12,311	12,852
Share-based payment	-	132	132
Profit for the year	-	5,327	5,327
At 31 December 2015	541	17,770	18,311
Share-based payment	-	175	175
Profit for the year	-	6,200	6,200
At 31 December 2016	541	24,145	24,686

Balance sheet

at 31 December 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	8	1,498	1,494
Current assets			
Stocks	9	1,545	1,498
Debtors	10	28,087	21,733
Cash at bank and in hand		3	4
		29,635	23,235
Creditors: amounts falling due within one year	11	(6,447)	(6,418)
Net current assets		23,188	16,817
Total assets less current liabilities		24,686	18,311
Capital and reserves			
Called up share capital	12	541	541
Profit and loss account		24,145	17,770
Shareholders' funds		24,686	18,311

The financial statements were approved by the Board and authorised for issue and were signed on its behalf by



J Rautenstrauch

Director

Date: September 21, 2017

Notes to the financial statements

at 31 December 2016

1. Accounting policies

Basis of preparation and statement of compliance with FRS102

Kautex Textron CVS Limited is a limited liability company incorporated in England and Wales, with its registered office at Warren Murton, 23 Bedford Row, London WC1R 4EB. These financial statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the historical cost convention. The principal accounting policies adopted by the Company are set out below and have been consistently applied throughout the year.

The financial statements are presented in the company's functional currency of GB Pounds (Sterling), rounded to the nearest thousand Pounds (£000).

The company is a qualifying entity (note 19) and has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 7 – Statement of Cash Flows and Section 3 – Financial Statement Presentation paragraph 3.17(d); and
- (b) The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 29A relating to financial instruments;
- (c) The requirements of Section 26 – Share Based Payment – paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- (d) The requirement of Section 33 – Related Party Disclosures paragraph 33.7

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on the prices prevailing at the date of acquisition of each asset, evenly over its expected useful life as follows:

Short leasehold	–	over 25 years
Plant, machinery and tooling	–	over 1-15 years
Fixtures and fittings	–	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing each product to its present location and condition and is based on purchase cost as follows:

Raw materials, consumables and goods for resale	–	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2016

1. Accounting policies (continued)

Revenue recognition

Turnover is recognised in line with the contract terms and conditions of its customers which recognises revenue when risk changes from seller to buyer, this is at the point of despatch.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- 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 future reversal of 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 substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Use of derivatives

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. This is done each year, usually at the same currency rate as next year's annual budget rate.

Purchases and sales in foreign currencies are recorded at the actual rate of exchange ruling at the date of the transaction. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit and loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The company does not undertake any hedge accounting transactions.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Share-based payment

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby the employees render services in exchange for shares (equity-settled transactions). The shares issued are those of the Company's ultimate parent undertaking and controlling party, Textron Inc.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is based on the market value of the shares at

Notes to the financial statements

at 31 December 2016

1. Accounting policies (continued)

Share-based payment (continued)

the date of grant less required adjustments to reflect the fair value of the award as dividends are not paid or accrued until the shares vest.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the periods in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest. No expense is recorded for awards that do not ultimately vest.

The terms of the equity-settled award do not allow modifications.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual tooling project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Warranties

Warranty costs are charged to the profit and loss account when incurred.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2016 £000	2015 £000
United States	250	357
Canada	38	62
Western Europe	31,378	28,105
Eastern Europe	2,130	2,721
Northern Africa	1,080	1,452
Asia	219	291
	<u>35,095</u>	<u>32,988</u>

Notes to the financial statements

at 31 December 2016

3. Operating profit

This is stated after charging/(crediting):

	2016 £000	2015 £000
Auditors' remuneration	28	28
Depreciation	220	276
Operating lease rentals – leasehold property	334	334
Operating lease rentals – vehicles & equipment	87	79
Change in fair value of forward currency contracts	218	(24)
Foreign exchange gain	89	53

4. Directors' remuneration

The Directors received no remuneration for their services in respect of the company in the current year. Directors' remuneration is borne by another company within the group. Their time spent on the activities of the company is negligible.

	2016 £000	2015 £000
Aggregate remunerations	-	-
Company pension contributions to money purchase schemes	-	-

None of the directors were members of a defined benefit pension scheme. Consequently, no company contributions have been made to such a scheme.

5. Staff costs

	2016 £000	2015 £000
Wages and salaries	8,080	7,683
Social security costs	754	722
Pension costs	358	349
Expense of share-based payment (note 15)	175	132
	<u>9,367</u>	<u>8,886</u>

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

	No.	No.
Management and administration	110	114
Production	187	174
Sales and marketing	5	5
	<u>302</u>	<u>293</u>

Notes to the financial statements

at 31 December 2016

6. Interest payable and similar charges

	2016 £000	2015 £000
Group interest payable	<u>36</u>	<u>38</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows:

	2016 £000	2015 £000
UK Corporation tax expense	-	-
Adjustment in respect of prior periods	<u>-</u>	<u>-</u>
Current tax expense	-	-
Origination and reversal of timing differences	(38)	-
Effects of changes in tax rates	37	-
Deferred tax now recognised	(671)	-
Adjustments in respect of prior periods	3	-
Deferred Tax (credit)/expense	<u>(669)</u>	<u>-</u>
Tax expense included in profit or loss	<u>(669)</u>	<u>-</u>
Total current and deferred tax relating to items of other comprehensive income	<u>(669)</u>	<u>-</u>

The current tax charge for the year is £nil as a result of tax allowable losses surrendered from other group companies for which no payment is required. (2015: £nil)

Notes to the financial statements

at 31 December 2016

8. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20% (2015:20.25%). The differences are reconciled below:

	2016 £000	2015 £000
Profit on ordinary activities before taxation	5,531	5,327
Profit on ordinary activities multiplied by standard rate of tax in UK of 20% (2015:20.25%)	1,106	1,079
Expenses not deductible for tax purposes	-	-
Employee share acquisition	35	27
Group relief received for nil consideration	(1,187)	(977)
Movement in unrecognised deferred tax at current tax rate	-	(129)
Effect of change in tax rate	44	-
Adjustment in respect of prior periods	3	-
Deferred tax now recognised	(671)	-
Corporation tax charge for the year	(669)	-
Effective Tax Rate	-12.10%	0.0%

(c) Factors that may affect future charges

The Finance (No. 2) Act 2015 enacted on 18 November 2015 reduces the main rate of corporation tax to 19% from 1 April 2017 and to 18 % from 1 April 2020. The Finance Act 2016 enacted on 15 September 2016 further reduces the main rate of corporation tax to 17% from 1 April 2020.

Deferred tax assets and liabilities at 31 December 2016 have been calculated at 17%.

The rate change will impact any future cash tax payment to be made by the company.

(c) Deferred tax

	2016 £000	2015 £000
Recognised		
Accelerated capital allowances	563	-
Other timing differences	106	-
	669	-

Notes to the financial statements

at 31 December 2016

7. Tax (continued)

(d) Deferred tax (continued)

	2016 £000	2015 £000
Unrecognised		
Accelerated capital allowances	-	556
Other timing differences	-	115
	<u>-</u>	<u>671</u>

During recent years the company has not claimed its full entitlement to capital allowances on plant and machinery, however the group is expected to become profitable in 2017 and so the deferred tax assets are now being recognised.

The deferred tax asset is expected to reduce by £600k in 2017

There is no expiry date associated with the unclaimed capital allowances.

8. Tangible fixed assets

	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Assets under construction £000</i>	<i>Total £000</i>
Cost:				
At 1 January 2016	6,596	247	402	7,245
Additions	-	-	224	224
Transfers	39	-	(39)	-
At 31 December 2016	<u>6,635</u>	<u>247</u>	<u>587</u>	<u>7,469</u>
Depreciation:				
At 1 January 2016	5,504	247	-	5,751
Provided during the year	220	-	-	220
At 31 December 2016	<u>5,724</u>	<u>247</u>	<u>-</u>	<u>5,971</u>
Net book value:				
At 31 December 2016	<u>911</u>	<u>-</u>	<u>587</u>	<u>1,498</u>
At 31 December 2015	<u>1,092</u>	<u>-</u>	<u>402</u>	<u>1,494</u>

Notes to the financial statements

at 31 December 2016

9. Stocks

	2016	2015
	£000	£000
Raw materials and consumables	1,349	1,291
Finished goods and goods for resale	196	207
	<u>1,545</u>	<u>1,498</u>

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

10. Debtors

	2016	2015
	£000	£000
Trade debtors	6,280	5,448
Amounts owed by group undertakings	19,725	14,562
Other debtors	1,759	1,618
Prepayments and accrued income	105	105
Forward Currency Contracts FRS 102	218	-
	<u>28,087</u>	<u>21,733</u>

Amounts falling after more than one year included above are:

	2016	2015
	£000	£000
Included in Other debtors:		
Deferred tax asset	669	-
Customer tooling	1,090	1,618
	<u>1,759</u>	<u>1,618</u>

11. Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	3,177	3,524
Amounts owed to group undertakings	1,577	1,425
Other taxes and social security costs	164	179
Accruals and deferred income	1,529	1,290
	<u>6,447</u>	<u>6,418</u>

12. Issued share capital

		2016		2015
	No.	£000	No.	£000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	54,087,201	<u>541</u>	54,087,201	<u>541</u>

Notes to the financial statements

at 31 December 2016

13. Capital commitments

The capital commitments at 31 December 2016 were £nil (2015 - £16k).

14. Pensions

The company participates in a defined contribution pension scheme, the Textron Limited Pension Scheme, for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions outstanding at the year end (2015 - £nil).

15. Share-based payments

1999 Long-term incentive plan

Eligible employees of the Company receive awards under the Restricted Stock section of the 1999 long-term incentive plan (the Plan). The Plan is operated by the Company's ultimate parent undertaking and controlling party, Textron Inc. An award of Restricted Stock vests one-third in each of the third, fourth and fifth years following the date of grant. The employee must still be employed by the Company at the date of vest for the shares to become vested. There are no performance conditions attached to the award. Restricted stock is transferred to the employee's ownership, at the date of vest, at no cost to the employee.

16. Other financial commitments

At 31 December 2016 the company had total commitments under non-cancellable operating leases as set out below:

	2016 £000	2015 £000
Rental payments due:		
Within one year	416	416
In two to five years	139	511
After more than five years	-	-
	<u>555</u>	<u>927</u>

17. Contingent liabilities

	2016 £000	2015 £000
HM Revenue and Customs import duty guarantee	<u>100</u>	<u>100</u>

Notes to the financial statements

at 31 December 2016

18. Provisions for liabilities

	<i>Maintenance Dilapidations</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>
At 1 January 2016	230	230
Additions during the year	-	-
At 31 December 2016	<u>230</u>	<u>230</u>

A provision has been made for dilapidations of the leased building. It is expected that these costs will be incurred on the vacation of the property at the end of the agreed lease term.

19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Textron International Holding S.L. The ultimate parent undertaking and controlling party is Textron Inc, a company incorporated in the United States of America. This is the largest group of which the company is a member and for which group financial statements are prepared. Their financial statements are available from the registered office at 40 Westminister Street, Providence, RI 02903, USA.

The smallest group of which the company is a member and for which group financial statements are prepared is Textron International Holdings SL based in Spain. These financial statements are available from the company's registered office.