

**Flowtech Holdings Limited**

**Annual Report and Financial Statements**

Registered number 05207649

31 December 2014

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## **Flowtech Holdings Limited**

### **Company Information**

#### **Directors**

Sean Fennon  
Bryce Brooks  
Paul Watson  
William Wilson (resigned 3 June 2014)  
Kenneth Lawrence (resigned 31 January 2014)

#### **Registered number**

05207649

#### **Registered office**

Pimbo Road  
Skelmersdale  
Lancashire  
WN8 9RB

#### **Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

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## Strategic Report

### Introduction

The Directors present their Strategic Report of Flowtech Holdings Limited (the "Company") for the year ended 31 December 2014. The Company's principal activity is that of a holding company and the provision of support services to other group undertakings. During the year under review there was a group restructuring and the Company's principal activities have changed to solely the provision of support services.

### Business review

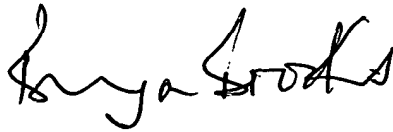
As shown in the Company's Income Statement on page 6, the Company made a loss after taxation of £1,474,225 (2013: loss £1,168,298). The loss was primarily related to the costs of the initial public offering ("IPO") of the Company's ultimate parent, Flowtech Fluidpower plc. Costs relating to shared services were recharged to other group undertakings.

During the year the Company transitioned from UK GAAP to FRS 101 "Reduced Disclosure Framework" and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, Flowtech MIP Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101.

This Report was approved by the Board and signed on its behalf.

Bryce Brooks  
Director

14 September 2015



## **Directors' Report**

The Directors present the audited Financial Statements of Flowtech Holdings Limited (the "Company") for the year ended 31 December 2014.

### **Directors**

The Directors who held office during the period were as follows:

Sean Fennon  
Bryce Brooks  
Paul Watson  
William Wilson (resigned 3 June 2014)  
Kenneth Lawrence (resigned 31 January 2014)

### **Dividends**

The Directors cannot recommend a final dividend (2013: £nil).

### **Financial instruments**

The Company finances its activities with a combination of inter group loans and cash and short term deposits, as disclosed in notes 8 and 9. Other financial assets and liabilities, such as other debtors and accruals, arise directly from the Company's operating activities.

### **Environment**

The Company recognises the importance of its environmental responsibilities and operates in accordance with policies agreed through a Health and Safety Committee and a Staff Consultative Committee. Initiatives designed to minimise the Company's impact on the environment include the recycling of waste where practical.

### **Employees**

Details of the number of employees and related costs can be found in note 4 to the Financial Statements. The Company is committed to providing staff and management with training designed to develop attitudes and skills and give opportunities for advancement. The Company promotes good communication and consultation with regular management meetings, staff briefings, and a Staff Consultative Committee to involve staff in the progress of the Company and its future.

The Company operates various performance bonus schemes related to KPI achievements within in the group operations. The Company believes that these schemes demonstrate the Company's commitment to involving employees in performance.

It is the policy of the Company that no employee, or potential employee, is not discriminated against on the grounds of disability, age, race, religion, sex, sexual orientation or political belief and to offer the same employment opportunities, training, career development and promotion prospects to all.

## **Directors' Report** *(Continued)*

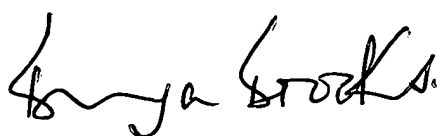
### **Disclosure of information to the Auditor**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'Bryce Brooks', written over a horizontal line.

Bryce Brooks  
Director

14 September 2015

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws 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 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 prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the members of Flowtech Holdings Limited**

We have audited the financial statements of Flowtech Holdings Limited for the year ended 31 December 2014 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 Statement of Directors' Responsibilities, 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](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stuart Muskett

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

22 September 2015



## Income Statement

*for the year ended 31 December 2014*

	Note	2014 £	2013 £
Administrative expenses		(1,474,225)	(1,168,298)
<b>Operating loss</b>	3	<b>(1,474,225)</b>	<b>(1,168,298)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(1,474,225)</b>	<b>(1,168,298)</b>
Tax expense	5	-	-
<b>Loss for the financial year</b>		<b>(1,474,225)</b>	<b>(1,168,298)</b>

There were no recognised gains or losses other than the loss in either the current or previous financial year. Accordingly, a Statement of Comprehensive Income has not been prepared.

All operating losses are derived from continuing operations.

## Statement of Financial Position

at 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Investments	6	28,169,028	343,000
<b>Total fixed assets</b>		<b>28,169,028</b>	<b>343,000</b>
<b>Current assets</b>			
Trade and other debtors	7	550,068	-
Cash and cash equivalents	8	1,857	2,121
<b>Total current assets</b>		<b>551,925</b>	<b>2,121</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other creditors	9	4,992,378	2,979,937
<b>Total creditors: amounts falling due within one year</b>		<b>4,992,378</b>	<b>2,979,937</b>
<b>Net current liabilities</b>		<b>(4,440,453)</b>	<b>(2,977,816)</b>
<b>Total assets less current liabilities</b>		<b>23,728,575</b>	<b>(2,634,816)</b>
<b>Net assets/(liabilities)</b>		<b>23,728,575</b>	<b>(2,634,816)</b>
<b>Capital and reserves</b>			
Called up share capital	10	96,000	96,000
Share premium account		57,116,015	247,000
Share-based payment reserve		11,588	-
Unrealised loss reserve		(29,042,987)	-
Retained losses		(4,452,041)	(2,977,816)
<b>Total equity</b>		<b>23,728,575</b>	<b>(2,634,816)</b>

The Financial Statements on pages 6 to 17 were approved by the Directors on 14 September 2015 and were signed by:



Bryce Brooks  
Director

Flowtech Holdings Limited  
Pimbo Road  
Skelmersale  
Lancashire  
WN8 9RB

**Statement of Changes in Equity**  
*for the year ended 31 December 2014*

	Share capital £	Share premium £	Share-based payment reserve £	Unrealised loss reserve £	Retained losses £	Total equity £
<b>Balance at 1 January 2013</b>	96,000	247,000	-	-	(1,809,518)	(1,466,518)
Loss for the year	-	-	-	-	(1,168,298)	(1,168,298)
Total comprehensive expense for the year	-	-	-	-	(1,168,298)	(1,168,298)
Total transactions with owners	-	-	-	-	-	-
<b>Balance at 1 January 2014</b>	<b>96,000</b>	<b>247,000</b>	-	-	<b>(2,977,816)</b>	<b>(2,634,816)</b>
Loss for the year	-	-	-	-	(1,474,225)	(1,474,225)
Total comprehensive expense for the year	-	-	-	-	(1,474,225)	(1,474,225)
<b>Transactions with owners</b>						
Share based payment charge	-	-	11,588	-	-	11,588
Share premium created by novation of shareholder loan	-	56,869,015	-	-	-	56,869,015
Reserve created by unpaid element of novated shareholder loan	-	-	-	(29,042,987)	-	(29,042,987)
Total transactions with owners	-	56,869,015	11,588	(29,042,987)	-	27,837,616
<b>Balance at 31 December 2014</b>	<b>96,000</b>	<b>57,116,015</b>	<b>11,588</b>	<b>(29,042,987)</b>	<b>(4,452,041)</b>	<b>23,728,575</b>

## Notes to the Financial Statements

*for the year ended 31 December 2014*

### 1 Authorisation of Financial Statements and Statement of Compliance with FRS 101

The Financial Statements of Flowtech Holdings Limited (the "Company") for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 14 September 2015 and the Statement of Financial Position was signed on the Board's behalf by Bryce Brooks. Flowtech Holdings Limited is incorporated and domiciled in England and Wales.

These Financial Statements were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The Company's Financial Statements are presented in Sterling.

These Financial Statements have been prepared on a going concern basis and on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Flowtech MIP Limited.

The results of Flowtech MIP Limited are included in the consolidated financial statements of Flowtech Fluidpower plc which are available from Pimbo Road, Skelmersdale, Lancashire, England, WN8 9RB.

The principal accounting policies adopted by the Company are set out in note 2.

### 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

#### 2.1 Basis of preparation

The Company transitioned to FRS 101 for the year ended 31 December 2014, no restatement of the comparative year amounts was required. There were no material amendments on the adoption of FRS 101. The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 December 2014.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 "Share based Payment", as the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 "Property, Plant and Equipment";
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 "Presentation of Financial Statements" and the requirements of IAS 7 "Statement of Cash Flows";
- (d) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- (e) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"; and
- (f) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## **Notes to the Financial Statements**

*for the year ended 31 December 2014*

### **2 Accounting policies (continued)**

#### **2.2 Changes in accounting policy and disclosures**

There is no impact resulting from the adoption of FRS 101.

#### **2.3 Going concern**

The Financial Statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds generated by other group companies. The Company's ultimate parent Flowtech Fluidpower plc, has provided the Company with an undertaking that for at least 12 months from the date of approval of these Financial Statements, it will continue to make available such funds and guarantees as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

Based on this undertaking, the Directors believe that it remains appropriate to prepare the Financial Statements on a going concern basis. The Financial Statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **2.4 Significant judgements, key assumptions and estimates**

In the process of applying the Company's accounting policies, which are described above, management has made judgements and estimations about the future that may have a significant effect on the amounts recognised in the Financial Statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have the most significant effect on the Financial Statements.

##### ***Share-based payments***

A number of accounting estimates and judgements are incorporated within the calculation of the charge to the Income Statement in respect of share-based payments. These are described in more detail in note 24 of the consolidated financial statements of Flowtech Fluidpower plc.

#### **2.5 Financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### ***Trade and other debtors***

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

## Notes to the Financial Statements

*for the year ended 31 December 2014*

### **2 Accounting policies (continued)**

#### ***Trade and other creditors***

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash, bank balances net of bank overdrafts and are subject to insignificant risk of changes in value.

#### ***Derecognition of financial liabilities***

The Company derecognises a financial liability (or its part) from the statement of financial position when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability (or a part of a financial liability) extinguished and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss.

### **2.6 Investments**

All investments are initially recorded at cost, being the fair value of consideration given including the acquisition costs associated with the investment. Subsequently they are reviewed for impairment on an individual basis if events or changes in circumstances indicate the carrying value may not be fully recoverable.

### **2.7 Employee benefits - defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **2.8 Taxation**

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

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.

## Notes to the Financial Statements

for the year ended 31 December 2014

### 2 Accounting policies (continued)

#### 2.9 Equity and reserves

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares
- "Share premium" represents the excess over nominal value of consideration received for equity share net of expenses of the share issue, less any costs associated with the issuing of shares
- "Share-based payment reserve" represents the provision made to date for share based payments as detailed in note 2.4
- "Unrealised loss reserve" represents the reserve created by the unpaid element of a novated shareholder loan
- "Retained losses" represent retained losses of the Company

### 3 Operating loss

This is stated after charging:

	2014	2013
	£	£
Operating lease rentals - other	9,696	22,943

#### Services provided by the Company's Auditors

	2014	2013
	£	£
Audit of the Financial Statements*	45,000	-

#### Disclosure below based on amounts receivable in respect of other services to the Company

Amounts receivable by the Company's Auditors and their associates in respect of:

Services relating to corporate finance transactions (IPO)	-	104,230
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\* Audit fees paid on behalf of other group undertakings have been recharged in full. In 2013 audit fees were borne by another group undertaking.

Services are provided by other professional advisors as deemed necessary by the management team.

## Notes to the Financial Statements

for the year ended 31 December 2014

### 4 Staff costs and Directors' remuneration

	2014 £	2013 £
<b>Staff costs</b>		
Wages and salaries	613,931	635,615
Social security costs	77,715	93,730
Contributions to defined contribution pension plans	7,215	5,537
Share-based payments	11,588	-
<b>Total staff costs</b>	<b>710,449</b>	<b>734,882</b>

The average number of employees of the Company (including Directors) during the year was:

	2014 Number	2013 Number
Administration	12	6
<b>Total number</b>	<b>12</b>	<b>6</b>

	2014 £	2013 £
<b>Directors' remuneration</b>		
Remuneration	21,250	509,563
Benefits in kind	-	28,047
<b>Total Directors' remuneration</b>	<b>21,250</b>	<b>537,610</b>

During the year no Directors (2013: none) participated in money purchase pension schemes. No directors participated in defined benefit schemes (2013: none).

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2014 £	2013 £
<b>Highest paid Director's remuneration</b>		
Remuneration	21,250	234,270
Benefits in kind	-	16,052
<b>Total highest paid Director's remuneration</b>	<b>21,250</b>	<b>250,322</b>

Staff costs and Directors' remuneration have been recharged to other group undertakings in 2014.

### 5 Taxation

#### a) Tax charged in the income statement

	2014 £	2013 £
<b>Total current tax</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements

for the year ended 31 December 2014

### 5 Taxation (continued)

#### b) Reconciliation of the total tax charge

The tax assessed in the income statement for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are reconciled below:

	2014 £	2013 £
Loss before taxation	(1,474,225)	(1,168,298)
Tax calculated at the UK standard rate of corporation tax of 21.5% (2013: 23.25%)	(316,958)	(271,629)
Deferred tax movements not recognised	2,136	-
Other timing differences	-	(40)
Amounts not deductible	305,028	349
Group relief	9,794	271,320
<b>Total tax expense in the income statement</b>	<b>-</b>	<b>-</b>

### 6 Fixed asset investments

	Investments in subsidiary undertakings £
Cost and net book value at 1 January 2014	343,000
Increase in value subsequent to loan novation	27,826,028
<b>Cost and net book at 31 December 2014</b>	<b>28,169,028</b>

#### Details of subsidiary undertakings

	Principal activity	Holding	Country of incorporation
Flowtech Midco Limited	Holding Company	100%	UK

The class of shares held is ordinary shares and the subsidiary is a direct subsidiary of the Company.

During the year Flowtech Midco Limited novated a shareholder loan of £56,869,015 to the Company. This loan was immediately novated to the Company's immediate parent, Flowtech MIP Limited and an amount of £27,826,028 was subsequently repaid by the ultimate parent company Flowtech Fluidpower plc. The amount repaid has been recognised as increase in investment in the subsidiary and the amount unpaid as an unrealised loss reserve.

## Notes to the Financial Statements

for the year ended 31 December 2014

### 7 Trade and other debtors

	2014 £	2013 £
<b>Current:</b>		
Other debtors	661	-
Prepayments and accrued income	3,330	-
Amounts owed by group undertakings	546,077	-
<b>Total trade and other debtors</b>	<b>550,068</b>	<b>-</b>

### 8 Cash and cash equivalents

	2014 £	2013 £
<b>Cash and cash equivalents:</b>		
Sterling	1,857	2,121
<b>Total cash and cash equivalents</b>	<b>1,857</b>	<b>2,121</b>

### 9 Trade and other creditors

	2014 £	2013 £
<b>Current:</b>		
Social security and other taxes	15,262	111,912
Accruals and deferred income	2,200	68,000
Amounts owed to other group undertakings	4,974,916	2,800,024
<b>Total trade and other creditors</b>	<b>4,992,378</b>	<b>2,979,936</b>

### 10 Authorised, issued and called up share capital

	2014 £	2013 £
<b>Authorised</b>		
10,000,000 Ordinary shares of 1 pence each	100,000	-
8,300,000 "A" Ordinary shares of 1 pence each	-	83,000
1,700,000 "B" Ordinary shares of 1 pence each	-	17,000
193,680 "C" Ordinary shares of 1 pence each	1,937	1,937
<b>Total authorised</b>	<b>101,937</b>	<b>101,937</b>
<b>Allotted, called up and fully paid</b>		
9,600,000 Ordinary shares of 1 pence each	96,000	-
8,300,000 "A" Ordinary shares of 1 pence each	-	83,000
1,300,000 "B" Ordinary shares of 1 pence each	-	13,000
<b>Total allotted, called up and fully paid</b>	<b>96,000</b>	<b>96,000</b>

During the year the A and B Ordinary shares were re-designated as Ordinary shares.

## Notes to the Financial Statements

for the year ended 31 December 2014

### 11 Employee benefits

#### 11.1 Pension plans

The Company operates a defined contribution plan. The total expense relating to this plan in each year was £7,215 (2013: £5,537).

#### 11.2 Share-based payments

Certain Company employees have received share options granted by the Enterprise Management Incentive Plan further details of which are disclosed in the consolidated financial statements of the ultimate parent company Flowtech Fluidpower plc.

In total £11,588 (2013: £nil) of employee remuneration expenses all of which related to equity-settled share-based payment transactions has been included in the Income Statement.

### 12 Operating lease commitments

Non-cancellable operating leases rentals, all relating to motor vehicles, are payable as follows:

	Other 2014 £	2013 £
<b>Expiring:</b>		
In one year or less	5,273	1,070
Between one and five years	1,757	25,478
<b>Total</b>	<b>7,030</b>	<b>26,548</b>

During the year £9,696 was recognised as an expense in the income statement in respect of operating leases (2013: £22,943).

### 13 Capital commitments

The Company had no capital commitments at 31 December 2014 or 31 December 2013.

### 14 Contingent liabilities

The Company is party to an intra-group funding arrangement with the other group companies, and could be required to provide funds to enable them to meet their financial obligations.

### 15 Subsequent events

There are no material adjusting or non-adjusting events subsequent to the reporting date.

## **Notes to the Financial Statements**

*for the year ended 31 December 2014*

### **16 Related party transactions**

During the year the Company entered into transactions, in the ordinary course of business, with related parties, all of whom are fellow wholly owned subsidiaries of the ultimate group undertaking. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose these transactions.

### **17 Ultimate group undertaking**

The Company is a subsidiary undertaking of Flowtech MIP Limited, incorporated in the United Kingdom. The ultimate parent company is Flowtech Fluidpower plc, incorporated in the United Kingdom.

The consolidated accounts of this company are available to the public and may be obtained from Pimbo Road, Skelmersdale, Lancashire, England, WN8 9RB.