

Company Registration No. SC 150075

TULLIS RUSSELL GROUP LIMITED

Annual Report and Financial Statements

Period Ended 2 April 2016



TULLIS RUSSELL GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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TULLIS RUSSELL GROUP LIMITED

REPORT AND ACCOUNTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F A W Bowden
G D Miller
M R Arrowsmith

COMPANY SECRETARY

G D Miller

REGISTERED OFFICE

Markinch
Glenrothes
Fife
KY7 6PB

BANKERS

Lloyds Banking Group plc
Level 3 Floor 2 Block C
69 Morrison Street
Edinburgh
EH3 8BW

SOLICITORS

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

STATUTORY AUDITOR

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

TULLIS RUSSELL GROUP LIMITED

STRATEGIC REPORT

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Tullis Russell Group Limited and its subsidiary undertakings when viewed as a whole.

PRINCIPAL ACTIVITIES

Tullis Russell Group Limited ("TRG") is an employee-owned industrial holding company, providing management services. The principal subsidiary companies, which are detailed in note 29 are involved mainly in the manufacture and distribution of paper products with specialist uses.

BUSINESS AND FINANCIAL REVIEW

Following on from a difficult 2015, the papermaking business continued to experience acute difficulties at the start of April 2015. The business had suffered from consistently high pulp prices and a strengthening of Sterling against the Euro. The business had benefited from lower power costs as a result of the Biomass plant however this benefit was negated by the impact of a deterioration in core markets and exchange rates. In January 2015 one of its largest and most profitable customers had started to withhold payments and credit insurance was withdrawn resulting in the business being unable to make supplies to them.

On 1 April 2015 the customer went into Administration in the UK and the loss of business from that customer impacted the ongoing sustainability of the business. There was increasing pressure on cash during April 2015 due to the adverse market conditions, a strong Pound and the loss of a major customer. Throughout this period the directors of Tullis Russell Papermakers Ltd took legal and professional advice and, mindful of the advice given, on 27 April 2015 the directors of Tullis Russell Papermakers Limited concluded that the interests of the company's creditors were best served by placing Tullis Russell Papermakers Limited into Administration. Following Administration, the papermaking business wound-down operations over a short period of time and the administrators started to sell off all the assets.

As a result of the administration of Tullis Russell Papermakers Limited, the Papermakers section of the defined benefit pension scheme entered an assessment period with the PPF and potentially would have entered the Pension Protection Fund. Tullis Russell Group Limited entered into discussions with the pension scheme trustees and the Administrator and agreed to enter into a contractual agreement to take over the Papermakers liabilities and meet any contributions required to fund the technical deficit in relation to these liabilities. The result of this agreement is that the pension entitlements of the members of the Tullis Russell Pension Scheme are not affected by the administration of Tullis Russell Papermakers Limited.

The directors of Tullis Russell Group Limited have concluded that it would not be appropriate to include any trading from Tullis Russell Papermakers Limited in these Accounts and have written off the net assets of Tullis Russell Papermakers Limited, Tullis Russell France, Tullis Russell Germany, Tullis Russell Netherlands and Tullis Russell Iberia as at March 2015. These write offs are shown as exceptional operating costs in the Group Profit and Loss Account.

The administration of Tullis Russell Papermakers Limited on 27 April 2015 has resulted in provisions being made in order to value the remaining assets at the lower of cost and net realisable value as detailed in note 7. The value of the industrial site at Markinch is dependent on such a variety of factors that the directors consider it impossible to support any given valuation and have opted to impair all of the remaining cost.

Following the administration of Tullis Russell Papermakers Limited, the remaining businesses comprise Tullis Russell Coaters (Security and Speciality Coatings) and Tullis Russell Coaters Korea (Image Transfer), who are both engaged in different types of speciality coatings. The Specialist Coating division delivered a profit of £3.1m in 2016 (2015: £2.9m), continues to be profitable and is not significantly affected by the difficulties experienced by the papermaking business.

The results for the year are set out in the Group Profit and Loss Account on page 9. There was a return on Sales, calculated as profit after tax divided by revenue, of 3.1% in 2016 compared to a negative return of 10.4% in 2015. Gross margin, excluding exceptional cost of sales of £nil (2015: £1.2m), increased from 23.3% in 2015 to 34.2% in 2016. After exceptional operating expenses of £1.7m (2015: £16.8m), this resulted in an operating profit of £1.2m in 2016 compared with a loss of £12.6m in 2015.

Return on Capital Employed (pre Own Shares) was a return of 4.2% in 2016 (2015: negative return 91.6%). There was a cash outflow of £3.3m in 2016 (2015: inflow £0.8m) resulting in net funds of £3.6m at 31 March 2016 (2015: £6.9m).

TULLIS RUSSELL GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

SUPPLIER PAYMENT POLICY

The Group's policy is to pay suppliers within agreed payment terms. The ratio, expressed in days, between the amounts invoiced to the Group by its suppliers in the year ended 31 March 2016 and the amounts owed to its trade creditors at the end of the year was 69 days (2015: 81 days).

PRINCIPAL RISKS AND UNCERTAINTIES

Key Business Risks

The main risks the Group is exposed to are weak markets for our products, input costs and foreign currency exposures.

The strategic expansion of the continuing businesses is focussed on the coating and converting division, which manufactures higher value added products. We invested £847k in coating capability at our Bollington site in 2016 which will enable us to grow into different market segments and drive increased profitability. Development of new products is a core activity and the Group has an established process for bringing new products on stream to replace mature or declining products. Competitive pressure across all markets is a continuing risk for the Group, which could result in it losing sales to its key competitors. The Group manages this risk by providing added value services to its customers, having fast response times in not only delivery of the products but also handling customer queries. The Group also manages the risk in that it produces technically challenging products compared to the competitors in the market.

Financial risk management

The company has exposure to two main areas of risk – liquidity risk and foreign exchange exposure.

Liquidity risk

The objective of the company in managing liquidity is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available.

Foreign exchange risk

The company is exposed to adverse foreign currency fluctuations which can impact the carrying value of foreign currency debtor and creditor balances.

Financial instruments

The Group has significant operations outside the UK and exports a significant proportion of its UK production and as such is exposed to movements in exchange rates. The Group's policy is to manage the currency risk by entering into forward contracts over twelve months for key foreign currencies, which will provide certainty over a significant proportion of these exposures. The Group does not enter into any speculative financial instruments.

The Group's principal financial assets are bank balances and trade debtors. The Group manages its credit risk in relation to trade debtors by holding credit insurance in respect of trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The credit risk on liquid funds is limited because the counter parties are UK banks.

ENVIRONMENTAL

It is the Group's objective to continually improve the environment for its workforce and the local communities in which it operates. Implicit within that objective is to continually work towards reducing any practice or elements of the manufacturing process that would have a negative impact on the environment.

RESEARCH AND DEVELOPMENT

All the businesses in the Group are committed to research and development, dedicated both to improving the quality of existing products and processes and the design of new ones.

TULLIS RUSSELL GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

EMPLOYEE INVOLVEMENT

Employee involvement is central to the management approach of the Group. Systems operate in each of the Group's businesses to provide all employees with information of concern to them, including information regarding financial and economic conditions affecting the Group and its businesses and the results achieved. Principal communication methods used are monthly team briefings, the distribution of annual financial information and annual reporting meetings.

Employees are encouraged to participate fully in the performance of their place of work. There is commitment to total quality management. There are cash bonuses, under which employees participate in the profits of their place of work. The amount charged in respect of the schemes to 2 April 2016 was £0.5m (2015: £0.4m).

Consultations with employee representatives take place at Group and company level. Representative bodies include: the Employee Ownership Board, Health & Safety Steering Group, Works Committee and the Staff Association.

Disabled Employees

The Group complies with the requirements of the Disability Discrimination Act 1995. The Group policy is to give full and fair consideration to applications for employment by disabled persons having regard to their particular aptitudes and abilities. In the event of members of staff becoming disabled, the Group policy is to continue their employment and arrange for appropriate training where suitable positions exist. Disabled employees have the same training, career development and promotion opportunities as all other employees.

FUTURE DEVELOPMENTS

Following the administration of the papermaking business we are now able to focus more on developing the specialist coating division. We have engaged the individual businesses in a strategic assessment and the outcome of this will help to shape the group going forward. We are committed to developing the remaining group and we are focussed on continuing to work in partnership with our customers to deliver a high quality product offering.

GOING CONCERN

The directors have considered the current trading position of the businesses along with the prevailing economic conditions and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Specialist Coating businesses continue to trade profitably and are cash generative. The reserves available to the group comprise existing cash, cash flow generated by the existing businesses and short term overdraft facilities, of which the directors have a reasonable expectation of their continuance through the going concern period. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

CORPORATE GOVERNANCE

Tullis Russell discharges its responsibilities for corporate governance through the Board. Although not required to comply with the provisions of the UK Corporate Governance Code, which is applicable to public companies, Tullis Russell is committed to following the Code and has implemented the principles of Good Governance set out in the Code where it is believed that these add value to the governance of the Group. There are sub-committees responsible for Nominations, Remuneration, Audit and Risk. There is a risk management process that identifies the key business risks, monitors their likely impact on the business and ensures that actions are put in place to mitigate these risks, as appropriate. An annual report is made to the Employee Ownership Board on corporate governance that encompasses the above activities.

Approved by the Board of Directors and signed by order of the Board.



G D Miller
Director

16 December 2016

TULLIS RUSSELL GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 2 April 2016.

RESULTS AND DIVIDENDS

The results for the year are set out in the Group Profit and Loss Account on page 9. The Group profit on ordinary activities before taxation was £1.4m (2015: loss £13.2m). The taxation charge was £0.4m (2015: £2.6m), leaving a profit after taxation attributable to members of the company of £1.0m (2015: £15.8m). There was no interim dividend paid during the year (2015: £199,000) and the directors do not recommend the payment of a final dividend (2015: £nil). Details of the business activities during the year, the financial results and the principal risks and uncertainties facing the Group are set out in the Strategic Report on pages 2 to 4.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Donations to charitable and public organisations amounted to £1,000 (2015: £208,000). The donations were all made to local charitable organisations in order to support the community. There were no political donations.

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been in place throughout the year ended 2 April 2016 and this remains in place as at the date of approving the directors' report.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. The directors who served throughout the year and up to the date of this report, unless stated otherwise, were:

F A W Bowden
M R Arrowsmith
G D Miller
C A G Parr (Resigned 31 July 2015)
B M Jackson (Resigned 28 April 2016)

The director retiring by rotation is Geoff Miller, as required by the Articles of Association, and he will seek re-election.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events after the balance sheet date can be found in the Strategic Report on pages 2 to 4 and form part of this report by cross reference.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies can be found in the Strategic Report on pages 2 to 4 and form part of this report by cross reference.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each director in office at the date the directors' report is approved, confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

TULLIS RUSSELL GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITOR

The auditor is appointed by annual resolution of the shareholders, to act until the passing of the subsequent annual resolution. The responsibilities of the auditor are set out in their audit report on page 8. Our auditor, Deloitte LLP, is willing to remain in office and a resolution concerning their re-appointment and remuneration will be proposed this year.

The financial statements on pages 9 to 15 were approved by the Board of Directors and signed by order of the Board.

Approved by the Board of Directors and signed by order of the Board.



G D Miller
Director

16 December 2016

Company Registration No. SC 150075

TULLIS RUSSELL GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 period. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 TULLIS RUSSELL GROUP LIMITED

We have audited the financial statements of Tullis Russell Group Limited for the year ended 2 April 2016 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group Cashflow Statement, the Statement of Accounting Policies and the related notes 1 to 31. 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 and for no other purpose. 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, 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 Group's and the parent 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 annual 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 Group's and of the parent company's affairs as at 2 April 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



David Crawford CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom
16 December 2016

TULLIS RUSSELL GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 2 APRIL 2016

	Note	2016 Total £000	2015 Continuing operations £000	2015 Discontinued operations £000	2015 Total £000
TURNOVER	3	30,936	30,477	120,187	150,664
Cost of sales		(20,357)	(19,976)	(95,526)	(115,502)
Exceptional cost of sales	7	-	-	(1,200)	(1,200)
GROSS PROFIT		10,579	10,501	23,461	33,962
Distribution costs		(4,061)	(4,714)	(18,925)	(23,639)
Administrative expenses		(3,472)	(4,502)	(1,400)	(5,902)
Profit Sharing Share Scheme allocation		(90)	(27)	(131)	(158)
OPERATING PROFIT		2,956	1,258	3,005	4,263
Finance charges (net)	8	147	(275)	(465)	(740)
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL OPERATING EXPENSES		3,103	983	2,540	3,523
Exceptional operating expenses	7	(1,720)	(10,695)	(6,119)	(16,814)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	6	1,383	(9,712)	(3,579)	(13,291)
Tax on ordinary activities	9	(420)	(738)	(1,875)	(2,613)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAX		963	(10,450)	(5,454)	(15,904)

The results for the current year have been derived wholly from continuing operations.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the company for the year was (£1,110,000) (2015: Loss of £42,786,000).

TULLIS RUSSELL GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 2 APRIL 2016

	Note	2016 Total £000	2015 Total £000
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>963</u>	<u>(15,904)</u>
OTHER COMPREHENSIVE LOSS:			
Actuarial loss relating to the defined benefit pension scheme	22	(1,086)	(1,863)
Movement on deferred tax relating to defined benefit pension scheme	21	191	90
Currency translation differences on foreign currency net investments		<u>9</u>	<u>327</u>
Other comprehensive loss, net of income tax		<u>(886)</u>	<u>(1,446)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u><u>77</u></u>	<u><u>(17,350)</u></u>

TULLIS RUSSELL GROUP LIMITED

GROUP BALANCE SHEET AS AT 2 APRIL 2016

	Notes	2016 £000	2015 £000
FIXED ASSETS			
Goodwill	11	467	517
Tangible assets	12	5,845	5,905
		<u>6,312</u>	<u>6,422</u>
CURRENT ASSETS			
Stocks	14	2,872	17,522
Debtors – amounts falling due within one year	15	9,019	21,802
Other financial assets	17	-	25
Cash at bank and in hand		3,579	6,933
Deferred tax	21	308	264
		<u>15,778</u>	<u>46,546</u>
CREDITORS: amounts falling due within one year	16	<u>(8,092)</u>	<u>(36,450)</u>
NET CURRENT ASSETS		<u>7,686</u>	<u>10,096</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,998</u>	<u>16,518</u>
CREDITORS: amounts falling due after more than one year			
Deferred government grants		-	(2,087)
Finance leases	19	-	(86)
		<u>-</u>	<u>(2,173)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>13,998</u>	<u>14,345</u>
PENSION LIABILITY	22	<u>-</u>	<u>-</u>
NET ASSETS		<u>13,998</u>	<u>14,345</u>
CAPITAL AND RESERVES			
Called up share capital	23	4,352	4,352
Share premium account		25,686	25,686
Capital reserve		9,413	24,641
Capital redemption reserve		361	361
Profit and loss account		(7,707)	(22,917)
Own shares	26	(18,107)	(17,778)
SHAREHOLDERS' FUNDS		<u>13,998</u>	<u>14,345</u>

These financial statements were approved by the Board of Directors on 16th December 2016.

Signed on behalf of the Board



G D Miller
Director

Company Registration No. SC 150075

TULLIS RUSSELL GROUP LIMITED

COMPANY BALANCE SHEET AS AT 2 APRIL 2016

	Notes	2016 £000	2015 £000
FIXED ASSETS			
Investments	13	194	194
Tangible assets	12	-	-
		<u>194</u>	<u>194</u>
CURRENT ASSETS			
Debtors – amounts falling due within one year	15	791	420
Cash at bank and in hand		119	877
Deferred tax	21	322	358
		<u>1,232</u>	<u>1,655</u>
CREDITORS: amounts falling due within one year	16	<u>(850)</u>	<u>(1,302)</u>
NET CURRENT ASSETS		<u>382</u>	<u>353</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>576</u>	<u>547</u>
NET ASSETS		<u>576</u>	<u>547</u>
CAPITAL AND RESERVES			
Called up share capital	23	4,352	4,352
Share premium account		25,686	25,686
Capital redemption reserve		361	361
Profit and loss account		(11,716)	(12,074)
Own shares	26	(18,107)	(17,778)
SHAREHOLDERS' FUNDS		<u>576</u>	<u>547</u>

These financial statements were approved by the Board of Directors on 16 December 2016.

Signed on behalf of the Board



G D Miller
Director

Company Registration No. SC 150075

TULLIS RUSSELL GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 2 APRIL 2016

	Called up share capital £000	Share premium account £000	Capital reserve £000	Capital redemption reserve £000	Profit and loss account £000	Own shares £000	Total Equity £000
Balance at 1 April 2014 as previously stated	4,352	25,686	24,641	361	(4,878)	(18,658)	31,504
Changes on transition for FRS 102	-	-	-	-	148	-	148
Balance at 1 April 2014 as restated	4,352	25,686	24,641	361	(4,730)	(18,658)	31,652
Loss for the period	-	-	-	-	(15,683)	-	(15,683)
Changes on transition for FRS102	-	-	-	-	(221)	-	(221)
Other comprehensive loss	-	-	-	-	(1,446)	-	(1,446)
Total comprehensive loss for the period	-	-	-	-	(17,350)	-	(17,350)
Own shares purchased	-	-	-	-	-	(44)	(44)
Own shares appropriated	-	-	-	-	-	924	924
Loss on disposal of own shares	-	-	-	-	(624)	-	(624)
Reversal of share appropriation provision	-	-	-	-	(14)	-	(14)
Dividends	-	-	-	-	(199)	-	(199)
Total contributions by and distributions to owners	-	-	-	-	(18,187)	880	(17,307)
Balance at 28 March 2015	4,352	25,686	24,641	361	(22,917)	(17,778)	14,345
	Called up share capital £000	Share premium account £000	Capital reserve £000	Capital redemption reserve £000	Profit and loss account £000	Own shares £000	Total Equity £000
Balance at 29 March 2015	4,352	25,686	24,641	361	(22,917)	(17,778)	14,345
Profit for the period	-	-	-	-	963	-	963
Other comprehensive loss	-	-	-	-	(886)	-	(886)
Total comprehensive income for the period	-	-	-	-	77	-	77
Own shares purchased	-	-	-	-	-	(452)	(452)
Own shares appropriated	-	-	-	-	-	123	123
Loss on disposal of own shares	-	-	-	-	(95)	-	(95)
Removal of subsidiary companies	-	-	(15,228)	-	15,228	-	-
Dividends	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	(15,228)	-	15,210	(329)	(347)
Balance at 2 April 2016	4,352	25,686	9,413	361	(7,707)	(18,107)	13,998

TULLIS RUSSELL GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 2 APRIL 2016

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Own shares £000	Total Equity £000
Balance at 1 April 2014	4,352	25,686	361	31,549	(18,658)	43,290
Loss for the year	-	-	-	(42,786)	-	(42,786)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(42,786)	-	(42,786)
Own shares purchased	-	-	-	-	(44)	(44)
Own shares appropriated	-	-	-	-	924	924
Loss on disposal of own shares	-	-	-	(624)	-	(624)
Reversal of share appropriation provision	-	-	-	(14)	-	(14)
Dividends	-	-	-	(199)	-	(199)
Total contributions by and distributions to owners	-	-	-	(43,623)	880	(42,743)
Balance at 28 March 2015	4,352	25,686	361	(12,074)	(17,778)	547
	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Own shares £000	Total Equity £000
Balance at 29 March 2015	4,352	25,686	361	(12,074)	(17,778)	547
Profit for the year	-	-	-	1,110	-	1,110
Other comprehensive loss	-	-	-	(657)	-	(657)
Total comprehensive income for the period	-	-	-	453	-	453
Own shares purchased	-	-	-	-	(452)	(452)
Own shares appropriated	-	-	-	-	123	123
Loss on disposal of own shares	-	-	-	(95)	-	(95)
Reversal of share appropriation provision	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	358	(329)	29
Balance at 2 April 2016	4,352	25,686	361	(11,716)	(18,107)	576

TULLIS RUSSELL GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 2 APRIL 2016

	2016 £000	2015 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) after tax	963	(15,856)
<i>Adjusted for:</i>		
Depreciation charge	627	2,863
Amortisation and impairment of intangible assets	46	47
Gain on disposal of tangible fixed assets	(893)	-
Loss on disposal of subsidiary companies	1,720	-
Impairment of fixed assets	-	16,814
Deferred government grant and lease premium released	-	(146)
Finance charges	(147)	740
Taxation	67	1,914
<i>Movements in working capital:</i>		
Decrease/(increase) in stocks	1,289	(942)
Exceptional stock write off	-	1,200
Increase in debtors	(2,569)	(444)
Decrease in creditors	(1,216)	(2,192)
Decrease in pension commitments	(938)	(1,770)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,051)	2,228
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest paid	(74)	(256)
Interest received	73	3
Proceeds from sale of tangible fixed assets	921	-
Acquisition of tangible fixed assets	(934)	(1,174)
Disposal of subsidiary companies	(291)	-
NET CASH FROM INVESTING ACTIVITIES	(305)	(1,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase and sale of own shares	(424)	255
(Increase)/decrease in bank overdraft facilities	(1,574)	92
Payment of finance lease liabilities	-	(42)
Dividends paid	-	(199)
NET CASH FROM FINANCING ACTIVITIES	(1,998)	106
Net (decrease)/increase in cash and cash equivalents	(3,354)	907
Cash and cash equivalents at the start of the period	6,933	6,026
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,579	6,933

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 2 APRIL 2016

1. ACCOUNTING POLICIES

Company information

Tullis Russell Group Limited ("the Company") is a limited company incorporated in Scotland. The registered office and principal place of business is Markinch, Glenrothes, Fife, KY7 6PB.

Accounting Convention

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

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below. They have been applied consistently across the Group throughout the year and the preceding year.

These financial statements for the period ended 2 April 2016 are the first financial statements of Tullis Russell Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation on how the transition to FRS 102 has affected the financial position and financial performance of the Group is provided in note 31.

The Parent company and its subsidiaries have taken the following exemptions to their individual accounts under the reduced disclosure framework of FRS102:

- from the requirement to present a statement of cashflows;
- from the requirements of FRS102 Section 11 paragraphs 11.39 to 11.48A relating to certain financial instrument disclosures as equivalent disclosures are included within the consolidated financial statements; and
- from the requirement to disclose key management compensation.

Going Concern

The directors have considered the current trading position of the business along with the prevailing economic conditions and have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details of the Directors' assessment of going concern are included in the Strategic Report on pages 2 to 4.

Basis of Consolidation

The consolidated accounts include the accounts of Tullis Russell Group Limited ("TRG") and its subsidiary undertakings made up to the Saturday nearest to 31 March each year. As permitted by Section 408 of the Companies Act 2006, no profit and loss account is presented for TRG. The results of subsidiaries acquired or sold are consolidated for the periods from the date on which control passed.

Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at amortised cost less any accumulated impairment losses. The interests are assessed for impairment at each reporting date and any impairment losses or reversal of impairment losses are recognised immediately in the profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Basic Financial Instruments

Trade and other debtors and trade and other creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **PERIOD ENDED 2 APRIL 2016**

1. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Other Financial Instruments

Derivative financial instruments

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. From time to time the group enters into derivative contracts to mitigate its exposure to foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

The Company enters into external derivatives on behalf of UK trading subsidiaries. In such instances, an internal derivative between the company and the respective group entity is realised and accounted for in the same manner in each Company's respective financial statements.

Equity instruments

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

Goodwill

Goodwill is capitalised at cost and amortised on a straight-line basis over their estimated useful lives up to a maximum of 20 years.

Turnover and Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue at the point at which goods are despatched, as the risk has been transferred at that point and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its view of contingencies on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Operating Leases

Rentals paid under operating leases are charged to the profit and loss account evenly over the lease term.

Exceptional Items

Exceptional items are non-recurring material items which are outside the scope of the Group's ordinary activities. Such items are disclosed separately within the financial statements in order to provide an appropriate understanding of the Group's performance.

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of any depreciation and provision for impairment. Depreciation, calculated on cost less estimated residual value, is provided on a straight-line basis on all tangible fixed assets, other than land and assets in the course of construction, over the anticipated useful lives of the relevant assets from the date of acquisition (or commissioning if later).

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The range of anticipated lives of the assets is:

Freehold buildings	-	23-50 years
Plant and Equipment	-	4-25 years

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **PERIOD ENDED 2 APRIL 2016**

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Stocks

Stocks (including work in progress) are valued at the lower of cost and estimated net realisable value on a first-in, first-out basis. The cost of stocks comprises direct materials and related costs of conversion being direct labour and production overheads. Net Realisable Value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items as appropriate.

Certain goods held on consignment terms appropriate to materials which will normally be consumed by the Group are included as stocks. The liability to pay for such goods is included in trade creditors.

Research and Development

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Current and Deferred Taxations

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

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) on the taxable income using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account on a straight-line basis over the expected useful lives of the relevant assets. Revenue grants are released to the profit and loss account when received.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies and the net assets of overseas undertakings are translated at the rate of exchange ruling at the balance sheet date.

The trading results of overseas undertakings are converted into sterling at the average exchange rates for the year. Translation differences and the difference between the trading results converted at the average exchange rates and the rates ruling at the balance sheet date are dealt with in the profit and loss account reserve.

Employee Share Ownership Plans ("ESOPs")

The assets, borrowings and other liabilities of the ESOPs sponsored by the company and whose investments are, as defined by FRS 102 section 9, under control of the parent company, are included in the company's balance sheet.

The costs of operating ESOPs are included in the consolidated profit and loss account. Dividends on shares owned by the ESOPs, where not waived, are accounted for on an accruals basis.

Share Based Payments

The group has a share compensation scheme, the Share Incentive Plan ("SIP").

Under the terms of the SIP, all employees are eligible for an annual award of Free shares. All employees have the right to subscribe for Partnership shares by way of a deduction to salary. Employees who have subscribed for Partnership shares may be eligible to receive Matching shares on a maximum ratio of two Matching shares to every one Partnership share.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

1. ACCOUNTING POLICIES (CONTINUED)

The fair value of the Free shares is charged to the profit and loss account over the period from the beginning of the financial year from which qualifying service commences to the date at which the compensation is expected to vest in the employees. Shares are deemed to vest in the employees when all the risks and rewards have substantially transferred. The corresponding credit is included in shareholders' funds. No charge is taken to the profit and loss account for Partnership shares as the Group deducts employee remuneration equivalent to the fair values awarded. The fair value of Matching share awards is charged to the profit and loss account at the date any awards are granted. The fair value of any awards granted by way of Free or Matching shares is calculated by reference to the approved valuation with H M Revenue & Customs agreed for this purpose.

The cash cost of settling these awards is borne by the subsidiary companies.

Employee benefits

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

The cost of unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension Costs

The principal group pension scheme encompasses both a defined benefit section for service up to 5 April 2002 and a defined contribution section for service from 6 April 2002.

For the defined benefit section the amounts charged to operating result are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount within interest payable. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit section is funded, with the assets held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Profit and Loss Format

In accordance with the Companies Act 2006, Schedule 4, paragraph 3(3), the headings have been adapted to separately disclose the Profit Sharing Share Scheme allocation.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Impairment of Group assets

The Group considered whether goodwill is impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows of the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Forward exchange rates applied in determining fair value of derivative financial instruments

The forward exchange rates are based on those detailed by the provider of the derivative financial instrument. There is a level of uncertainty regarding the rates as they can fluctuate between sources.

Stock provision

The carrying value of the Group's inventory is reviewed using commercial judgement with regards to the assessment of the appropriate level of provisioning against inventory obsolescence.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

2. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting judgements in applying the Group's accounting policies

Impairment of trade debtors

Expected future cash flows are applied in measuring impairment of customer receivables, while also considering historical collection rates.

Pension assumptions

Key estimates have been made in relation to rates applied to pension assets and liabilities to calculate the ultimate pension asset/liability presented in the financial statements. The key estimates are in relation to inflation, mortality and discount rates applied. A qualified, independent actuary has been employed to assess these rates, however actual returns may vary from the estimated returns, which may cause the final pension asset/liability to differ from what is presented in these financial statements.

Useful life of goodwill

The Group establishes a reliable estimate of the useful life of goodwill arising on business combinations. The estimate is based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash generating units (CGUs) to which the goodwill is attributed.

3. TURNOVER

The Group's turnover represents the value, excluding value added tax, of goods supplied to customers during the period.

The analysis of turnover by activity and geographical area is as follows:

	2016 Specialist Coating & Other £000	2016 Total £000	2015 Paper- making £000	2015 Specialist Coating & Other £000	2015 Total £000
<i>Turnover by destination:</i>					
United Kingdom	1,924	1,924	36,686	1,640	38,326
Europe	13,693	13,693	56,950	13,716	70,666
North America	2,505	2,505	10,940	3,073	14,013
Asia	11,144	11,144	10,177	11,261	21,438
Other	1,670	1,670	4,053	2,168	6,221
	<u>30,936</u>	<u>30,936</u>	<u>118,806</u>	<u>31,858</u>	<u>150,664</u>
<i>Turnover by place of manufacture:</i>					
United Kingdom	14,713	14,713	118,806	15,129	133,935
Asia	16,223	16,223	-	16,729	16,729
	<u>30,936</u>	<u>30,936</u>	<u>118,806</u>	<u>31,858</u>	<u>150,664</u>

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

4. STAFF COSTS AND EMPLOYEE INFORMATION

	2016 £000	2015 £000
Wages and salaries	6,544	22,773
Social security costs	607	2,370
Other pension costs	379	1,989
	<u>7,530</u>	<u>27,132</u>

	2016 Number	2015 Number
The average monthly number of employees (including directors) during the year was made up as follows:		
Management and administration	33	107
Manufacturing and production	126	498
Distribution	29	60
	<u>188</u>	<u>665</u>

5. DIRECTORS REMUNERATION

	2016 £000	2015 £000
Directors' emoluments excluding pension contributions	931	518
Money purchase contributions	17	27
	<u>948</u>	<u>545</u>

The aggregate emoluments of the highest paid director (C A G Parr) were £640,000 (2015: £378,000), which included £543,000 (2015: £nil) for a contractual payment arising from his redundancy. Pension contributions for the highest paid director were £5,000 (2015: £15,000).

The highest paid director (C A G Parr) did not exercise any share options in the year. In the prior year he purchased 12,288 shares at 19p in August 2014 through the Partnership Share Scheme and was awarded 12,288 Matching shares.

There was one director who was a member of the Money Purchase section of the Pension Scheme at the year end (2015: 2).

The only members of key management of the company are the directors.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

6. PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £000	2015 £000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Auditor's remuneration:		
- For audit work: Group (including TRG £25,000 (2015: £20,000))	48	80
- For other services:		
Tax compliance services – Group (including TRG £10,000 (2015: £10,000))	24	54
Advisory – Group (including TRG £0 (2015: £31,000))	-	41
Depreciation		
- Tangible owned assets (note 12)	627	2,818
- Tangible leased assets (note 12)	-	45
Government grants	-	(146)
Gain on disposal of subsidiary	25	-
Rentals under operating leases:		
- Plant and machinery	89	791
- Land and buildings	64	512
Profit on foreign currency exchange	(26)	(177)
Amortisation of intangible assets (note 11)	46	47
Gain on disposal of tangible fixed assets	893	-
Redundancy costs	650	-
Gain on settlement of pension liabilities	-	(131)
Exceptional items: Impairment losses on fixed assets	-	16,814
Write-down of stock	-	1,200
	<u> </u>	<u> </u>

Auditor's remuneration in respect of other services relates to taxation compliance work.

Fixed asset impairments and asset write downs are disclosed separately as exceptional operating expenses on the profit and loss account.

7. EXCEPTIONAL ITEMS

	2016 £000	2015 £000
Exceptional cost of sales		
Write down of raw material stock	-	(1,200)
	<u> </u>	<u> </u>
	-	(1,200)
	<u> </u>	<u> </u>
Exceptional operating charges		
Net assets of subsidiaries disposed of	(1,520)	-
Cash received from administration of Tullis Russell Papermakers Ltd	224	-
Impairment of inter company debtor	(1,581)	-
Impairment of land and buildings	1,157	(10,695)
Impairment of plant and machinery	-	(6,119)
	<u> </u>	<u> </u>
	(1,720)	(16,814)
	<u> </u>	<u> </u>

The administration of Tullis Russell Papermakers Limited on 27 April 2015 has resulted in the write off of the net assets of Tullis Russell Papermakers Limited. Provisions have been made in order to value the remaining group assets at the lower of cost and net realisable value. The value of the industrial site at Markinch is dependent on such a variety of factors that the directors consider it impossible to support any given valuations and have opted to impair all of the remaining cost.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

8. FINANCE CHARGES (NET)

	2016 £000	2015 £000
Interest payable on overdraft	(74)	(247)
Interest receivable/(payable) on pension scheme financing (note 22)	148	(266)
Interest payable on finance leases	-	(9)
Derivative financial instruments	73	(221)
Other interest receivable	-	3
	<u>147</u>	<u>(740)</u>

9. TAXATION

Total tax expense recognised in the profit and loss account and other comprehensive income

	2016 £000	2015 £000
<i>Current taxation</i>		
UK corporation tax charge for the year	83	70
Adjustment in respect of prior years	(110)	(1)
	<u>(27)</u>	<u>69</u>
Foreign tax	273	420
Total current tax	<u>246</u>	<u>489</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	306	2,285
Adjustment in respect of prior years	(102)	(104)
Effect of changes in tax rates	(30)	(105)
Deferred tax charge relating to the pension scheme	191	90
Total deferred tax	<u>365</u>	<u>2,166</u>
Total tax expense	<u>611</u>	<u>2,655</u>

	2016			2015		
	Current tax £000	Deferred tax £000	Total tax £000	Current tax £000	Deferred tax £000	Total tax £000
Recognised in Profit and loss account	246	174	420	489	2,076	2,565
Recognised in other comprehensive income	-	191	191	-	90	90
Total tax expense	<u>246</u>	<u>365</u>	<u>611</u>	<u>489</u>	<u>2,166</u>	<u>2,655</u>

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

9. TAXATION (CONTINUED)

The standard rate of tax for the current year, based on the UK standard rate of corporation tax is 20% (2015: 21%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2016 £000	2015 £000
Profit/(loss) on ordinary activities before tax	1,383	(13,291)
Tax on loss on ordinary activities at standard rate of UK corporation tax of 20% (2015: 21%)	277	(2,789)
Factors affecting the charge for the year:		
Expenses not deductible for tax purposes	369	2,747
Depreciation in excess of capital allowances	-	1,437
Other timing differences	-	1,817
Income not taxable	(185)	(20)
Utilisation of tax losses	-	(690)
Adjustment in respect of prior years	(115)	(105)
Gains/rollover relief	180	-
Foreign tax adjustment	(76)	277
Effect of changes in tax rates	(30)	(109)
Total tax expense in profit and loss	420	2,565

There was a reduction in the UK corporation tax rate to 21% (effective from 1 April 2014). A further reduction to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013 and further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 28 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 28 March 2015 has been calculated based on the rate of 20% enacted at the balance sheet date. Subsequent to year-end, the UK Government announced a further reduction to the standard rate of corporation tax from 1 April 2020 to 17%. This has not yet been substantively enacted.

10. DIVIDENDS

	2016 £000	2015 £000
Dividends paid of nil (2015: 1.1p) per ordinary share	-	199

The ESOPs have waived entitlements to dividends in respect of 2016 totalling £nil (2015: £292,000). The dividend policy in respect of 2016 and 2015 are disclosed in the Directors' Report on page 6.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

11. GOODWILL

	Goodwill £000
GROUP	
Cost:	
At 28 March 2015	1,303
Exchange adjustments	(8)
	<u>1,295</u>
At 2 April 2016	<u>1,295</u>
Amortisation:	
At 28 March 2015	(786)
Charge for the year	(46)
Exchange adjustments	4
	<u>(828)</u>
At 2 April 2016	<u>(828)</u>
Net book value:	
At 2 April 2016	<u>467</u>
At 28 March 2015	<u>517</u>

12. TANGIBLE ASSETS

	Freehold Land and Buildings £000	Plant and Equipment £000	Assets in Course of Construction £000	Total £000
GROUP				
Cost:				
At 28 March 2015	21,066	78,147	481	99,694
Additions	-	87	847	934
Commissioned	97	1,191	(1,288)	-
Disposals	(5,172)	(64,541)	-	(69,713)
Exchange adjustments	(22)	(48)	-	(70)
	<u>15,969</u>	<u>14,836</u>	<u>40</u>	<u>30,845</u>
At 2 April 2016	<u>15,969</u>	<u>14,836</u>	<u>40</u>	<u>30,845</u>
Depreciation:				
At 28 March 2015	(19,141)	(74,648)	-	(93,789)
Charge for the year	(126)	(501)	-	(627)
Impairment adjustment	6,217	-	-	6,217
Disposals	-	63,167	-	63,167
Exchange adjustments	2	30	-	32
	<u>(13,048)</u>	<u>(11,952)</u>	<u>-</u>	<u>(25,000)</u>
At 2 April 2016	<u>(13,048)</u>	<u>(11,952)</u>	<u>-</u>	<u>(25,000)</u>
Net book value:				
At 2 April 2016	<u>2,921</u>	<u>2,884</u>	<u>40</u>	<u>5,845</u>
At 28 March 2015	<u>1,925</u>	<u>3,499</u>	<u>481</u>	<u>5,905</u>

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

12. TANGIBLE ASSETS (CONTINUED)

	Freehold Land and Buildings £000	Total £000
COMPANY		
Cost:		
At 28 March 2015	11,020	11,020
Additions	-	-
At 2 April 2016	11,020	11,020
Depreciation:		
At 28 March 2015	(11,020)	(11,020)
Charge for the year	-	-
Impairment losses	-	-
At 2 April 2016	(11,020)	(11,020)
Net book value:		
At 2 April 2016	-	-
At 28 March 2015	-	-

GROUP

Included within Plant and Equipment are assets held under finance leases with a cost at 2 April 2016 of £nil (2015: £223,000), accumulated depreciation at 2 April 2016 of £nil (2015: £89,000) and a net book value at 2 April 2016 of £nil (2015: £134,000). Depreciation charged in the year to 2 April 2016 was £nil (2015: £45,000).

COMPANY

As noted in the Strategic Report on pages 2 to 4, Tullis Russell Papermakers Limited was placed in administration on 27 April 2015. The land and buildings from which this business operated were owned by the Company and were utilised solely by that business. The continuing businesses of the Group did not operate from this site and there are no immediate plans by the Group to undertake alternative trading activities at this site. The directors are assessing the future options for this asset. Against this backdrop the directors have concluded that it is appropriate to maintain the net book value of this asset to £nil.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

13. INVESTMENTS

Company

	Subsidiary Undertakings £000
Cost:	
At 28 March 2015 and 2 April 2016	39,580
Provision for impairment:	
At 28 March 2015	(39,386)
Charge for the year	-
At 2 April 2016	(39,386)
Net book value:	
At 2 April 2016	194
At 28 March 2015	194

Details of the Company's principal subsidiary undertakings at 2 April 2016 are listed in note 29.

Following the administration of Tullis Russell Papermakers Limited on 27 April 2015, the investment in that business, together with investments in Tullis Russell Inc, Tullis Russell France SARL, Tullis Russell GmbH, Tullis Russell Benelux BV and Tullis Russell Iberia SL, which are also being wound up, were reduced to £nil in the prior year in the parent company.

14. STOCKS

	2016 £000	2015 £000
Raw materials and consumables	1,198	3,656
Work in progress	286	3,319
Finished goods and goods for resale	1,388	10,547
	<u>2,872</u>	<u>17,522</u>

There is no significant difference between the replacement cost of stock and its carrying amount.

Stock is stated after provisions of £240,000 (2015: 351,000).

15. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	2016 Group £000	2016 Company £000	2015 Group £000	2015 Company £000
Trade debtors	7,675	102	19,029	-
Amounts due from group undertakings	-	45	-	305
Prepayments and accrued income	100	-	204	-
Other debtors	1,244	644	2,569	115
	<u>9,019</u>	<u>791</u>	<u>21,802</u>	<u>420</u>

Amounts due from Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £260,000 (2015: £249,000).

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

16. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016		2015	
	Group £000	Company £000	Group £000	Company £000
Bank overdrafts	675	-	2,249	-
Trade creditors	3,852	207	25,721	283
Amounts due to group undertakings	-	62	-	-
Other taxation and social security	47	-	1,280	-
Finance leases (note 19)	-	-	45	-
Accruals and deferred income	1,671	581	4,173	956
Other creditors	1,713	-	2,665	63
Corporation tax	134	-	219	-
Derivative financial instruments	-	-	98	-
	<u>8,092</u>	<u>850</u>	<u>36,450</u>	<u>1,302</u>

Amounts due to Group undertakings are unsecured, interest free and are payable on demand.

17. FINANCIAL ASSETS

	2016		2015	
	Group £000	Company £000	Group £000	Company £000
Derivative financial instruments	-	-	25	-
	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>

Derivative financial instruments are held at fair value through profit and loss.

18. FINANCIAL INSTRUMENTS

Carrying amount of financial instruments	2016 £000	2015 £000
Financial assets at amortised cost		
Cash	3,579	6,933
Trade and other debtors	8,919	21,598
Financial assets at fair value through profit or loss		
Derivative financial instruments	-	25
	<u>12,498</u>	<u>28,556</u>
Financial liabilities at amortised cost		
Trade and other creditors	7,236	32,604
Loans and other borrowings	675	2,249
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	-	98
	<u>7,911</u>	<u>34,951</u>

Financial instruments measured at fair value

Derivative financial instruments

The Group enters into forward foreign exchange contracts to mitigate the exchange rate risk for certain foreign currency transactions. The forward currency contracts are measured at fair value, which is based on the mid-market price at the close of business of the year end date. At the year end, there were no forward contracts outstanding.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

19. FINANCE LEASES

	Group 2016 £000	2015 £000
Maturity of finance leases:		
In one year or less	-	45
In more than one year, but not more than two years	-	45
In more than two years, but not more than five years	-	41
	<u>-</u>	<u>131</u>
	<u>-</u>	<u>131</u>
	Group 2016 £000	2015 £000
Future minimum payments under finance leases are as follows:		
Within one year	-	51
In more than one year, but not more than five years	-	90
	<u>-</u>	<u>141</u>
Total gross payments	-	141
Less finance charges included above	-	(10)
	<u>-</u>	<u>131</u>
	<u>-</u>	<u>131</u>

20. LEASE OBLIGATIONS

Operating leases – Plant and Equipment

The total commitments under non-cancellable operating leases are as follows:

	Group 2016 £000	2015 £000
Operating leases which expire:		
Within one year	13	492
In the second to fifth years inclusive	132	1,335
	<u>145</u>	<u>1,827</u>
	<u>145</u>	<u>1,827</u>

The Company has no operating lease commitments in either year.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

21. DEFERRED TAXATION

	Group £000	Company £000
At start of period	264	358
Charged to profit and loss account in the current year	(174)	(180)
Credited to statement of comprehensive income	191	144
Adjustment in respect of prior year credited to profit & loss account	27	-
At end of period	308	322

	2016		2015	
	Group £000	Company £000	Group £000	Company £000
The deferred tax asset consists of the following amounts:				
Capital allowances in excess of depreciation	(253)	-	(193)	-
Short term timing differences	(95)	1	(109)	1
Tax losses available	656	321	566	357
	308	322	264	358

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity within the group.

22. PENSION COMMITMENTS

The group operates one principal pension scheme in the UK and one principal scheme in the USA which covers 3 employees. The UK scheme provides defined benefits for service earned before 6 April 2002 and defined contribution for service from 6 April 2002. The USA scheme is a defined contribution scheme.

Defined Benefit Scheme

The assets of the scheme are held separately from those of the group and are invested by trustees in pooled managed funds. An actuarial valuation was carried out at 6 April 2013 and updated to 2 April 2016 by Aon Consulting, independent consulting actuaries using the Projected Unit Method.

The major assumptions used by the actuary were:

	2016	2015
Rate of increase in pensions in payment	2.75%	2.90%
Discount rate	3.20%	3.20%
Rate of inflation (RPI)	2.80%	3.00%
Rate of inflation (CPI)	1.70%	1.90%

Mortality for current and future pensioners for 2016 and 2015 has been based on SAPS, with 2014 CMI Improvements with 1.25% underpin, + 3 years for females only.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

22. PENSION COMMITMENTS (CONTINUED)

THE ASSETS AND LIABILITIES IN THE SCHEME AT 2 APRIL ARE:

	2016	2015
	Fair Value £000	Fair Value £000
Bonds	31,124	31,105
Cash	1,833	1,939
Annuity policy	63,513	66,145
Total fair value of assets	96,470	99,189
Present value of scheme liabilities	(92,035)	(95,510)
Unrecognised asset	(4,435)	(3,679)
Net pension deficit	-	-

In accordance with FRS 102 the Directors have not recognised the net pension surplus as it does not give rise to an asset of the Group, either by way of a refund or a reduction in future contributions.

Reconciliation of present value of scheme liabilities

	2016 £000	2015 £000
At start of period	(95,510)	(86,182)
Defined benefit scheme costs	(616)	(872)
Interest cost	(3,052)	(3,738)
Actuarial gain/(loss)	943	(5,997)
Liabilities extinguished on settlements	-	131
Benefits paid	6,200	1,148
At end of period	(92,035)	(95,510)

Reconciliation of fair value of scheme assets

	2016 £000	2015 £000
At start of period	99,189	86,142
Interest income	3,200	3,472
Actual return on plan assets	2,217	11,285
Actuarial loss	(3,200)	(3,472)
Contributions paid by employer	1,264	2,910
Benefits paid	(6,200)	(1,148)
At end of period	96,470	99,189

Scheme assets do not include any of Tullis Russell Group Limited's own financial instruments, or any property occupied by Tullis Russell Group Limited.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

22. PENSION COMMITMENTS (CONTINUED)

Amounts credited/(charged) to the profit and loss account are as follows:

	2016 £000	2015 £000
Net interest credited/(charged)	148	(266)
Settlement gain	-	131
	148	(135)

During the prior year members elected to participate in a Pension Increase Exchange resulting in a gain on liabilities of £131,000.

Amounts charged to other comprehensive income are as follows:

	2016 £000	2015 £000
Actual return on scheme assets	2,217	11,258
Less amounts included in net interest	(148)	266
Other actuarial losses	(983)	(9,661)
	1,086	1,863

Actuarial valuation

A triennial valuation was undertaken at 6 April 2016 resulting in a deficit of £7.4m. In July 2016 the pension scheme received an interim dividend from the administration of Tullis Russell Papermakers Limited of £3.2m thereby reducing the deficit. The Company has agreed with the trustees that it will make annual cash contributions of £450k over the next 3 years and £789k annual cash contributions over the following 3.5 years to make good the deficit. The scheme is closed to new entrants and to future accrual for existing members.

Company

The scheme is a group scheme covering employees of the UK operating companies. The assets and liabilities of the scheme have been split between Tullis Russell Group Limited and Tullis Russell Coaters Limited and accordingly there are no additional FRS 102 disclosures required for the holding company.

On 17 December 2015 the Company entered into an agreement with the trustees of the scheme to take on the liabilities for the Papermakers members and to fund the deficit in relation to those liabilities on a technical provisions basis. The pension liabilities relating to the Tullis Russell Papermakers Limited employees will therefore continue to be provided without any impact arising out of the administration of the papermaking company.

Defined Contribution Scheme

Group

The defined contribution pension cost and death in service costs for the Group were £338,000, (2015: £1,854,000). Outstanding contributions of £19,000 (2015: £104,000) are included in Creditors: amounts falling due within one year. The pension cost in both periods includes costs arising overseas.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

23. CALLED UP SHARE CAPITAL

	Allotted, Called-up and Fully Paid	
	2016 £000	2015 £000
Ordinary shares of 10p each	4,326	4,326
Non-voting ordinary shares of 10p each	26	26
	<u>4,352</u>	<u>4,352</u>

There were no movements during the year.

	2016 Ordinary Shares	2016 Number Non- voting Ordinary Shares	2016 Special	2015 Ordinary Shares	2015 £000 Non- voting Ordinary Shares	2015 Special
At 28 March 2015 and 2 April 2016	<u>43,262,710</u>	<u>260,920</u>	<u>1</u>	<u>4,326</u>	<u>26</u>	<u>-</u>

Non-voting ordinary shares will be converted into ordinary shares on a one-for-one basis in the event of the directors approving the listing of any of the company's shares on a public securities market.

The terms of the special share entitle its holder, The Russell Trust, in certain circumstances to 51% of the votes at a general meeting of the company.

24. INTERESTS IN SHARE CAPITAL

Major shareholders at 2 April 2016

	Ordinary Shares	Non-Voting Ordinary Shares	Special Share
The Russell Trust	11,932,800	-	1
Tullis Russell (1987) Employee Benefits Trust	24,008,046	219,379	-
Tullis Russell Group Second Employee Share Ownership Trust	3,311,079	-	-
Tullis Russell Employee Profit Sharing Share Scheme	104,998	-	-
Tullis Russell Group Employee Profit Sharing Share Scheme	239,803	-	-
Tullis Russell Group Employee Share Ownership Plan	3,112,946	-	-
	<u>42,709,672</u>	<u>219,379</u>	<u>1</u>

The directors consider that, because the directors of the companies which are the trustees of Tullis Russell (1987) Employee Benefits Trust, Tullis Russell Group Second Employee Share Ownership Trust, Tullis Russell Employee Profit Sharing Share Scheme, Tullis Russell Group Employee Profit Sharing Share Scheme and Tullis Russell Group Employee Share Ownership Plan are the same people and the interests of all these trusts are closely aligned, these trusts, acting in concert will, in normal circumstances, form the controlling party.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

25. RESERVES AND OTHER COMPREHENSIVE INCOME

Reserves

Share premium represents amounts received during the sale of share capital over and above the par value of the shares.

The capital redemption reserve represents amounts retained as fixed capital following redemptions of share capital under company legislation.

The profit and loss account reserve presents accumulated comprehensive income for the year and prior periods less dividends paid.

26. OWN SHARES

The company has sponsored four ESOP Trusts: Tullis Russell (1987) Employee Benefits Trust ("EBT"), Tullis Russell Group Employee Share Ownership Trust ("ESOT"), Tullis Russell Group Second Employee Share Ownership Trust ("No 2 ESOT") and Tullis Russell Group Employee Share Ownership Plan ("SIP"). The company funds the cost of the trusts by donations. Shares are allocated to employees under the terms of the SIP.

GROUP AND COMPANY

	EBT Ordinary Shares £000	No 2 ESOT Ordinary Shares £000	Total £000
At 28 March 2015	14,576	3,202	17,778
Purchased	480	-	480
Appropriated	(28)	(123)	(151)
At 2 April 2016	<u>15,028</u>	<u>3,079</u>	<u>18,107</u>

Nominal Value:

At 2 April 2016 the nominal value of the above shareholdings was £2,754,000 (2015: £2,542,000).

Market Value:

At the most recent valuation price (24p) the aggregate market value of ordinary shares in the above holdings at 2 April 2016 was £6,609,000 (2015: £5,084,000).

27. CAPITAL COMMITMENTS

	Group 2016 £000	Group 2015 £000
Contracted but not provided for	<u>36</u>	<u>505</u>

28. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within FRS 102 section 33.1A from the requirement to disclose related party transactions with other wholly owned companies in the same group.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

29. GROUP STRUCTURE

	Country of Incorporation and Operation	Shares Owned	%
Principal Group Company Tullis Russell Group Limited	Great Britain		
Specialist Coating and Distribution Division			
Paper Coating & Conversion			
Tullis Russell Coaters Limited	Great Britain	Ordinary	100
Tullis Russell Coated Papers Limited	Great Britain	Ordinary	100
Tullis Russell Coaters Korea Ltd	Republic of Korea	Common stock	100*
Overseas Sales Companies			
Tullis Russell Inc	USA	Common Stock	100
Dongguan Tullis Russell Paper Company Limited	China	Registered Capital	100
Non-trading Companies			
Tullis Russell Asia Pacific limited	Great Britain	Ordinary	100
TR Employee Benefits Trust limited	Great Britain	Ordinary	100
TRG ESOT Limited	Great Britain	Ordinary	100
TR Employee Share Scheme Limited	Great Britain	Ordinary	100

* held by a subsidiary company.

Tullis Russell Asia Pacific Limited is exempt from a statutory audit of its financial statements in accordance with S479A Companies Act 2006.

30. DISCONTINUED OPERATIONS

Tullis Russell Papermakers Limited went into administration on 27 April 2015. The closure of Tullis Russell Papermakers Limited has also resulted in the closure of Tullis Russell Inc, Tullis Russell France SARL, Tullis Russell GmbH, Tullis Russell Benelux BV and Tullis Russell Iberia SL, all of whom were dependent on Papermakers for their stock. Within the Specialist Coating & Other Division all the businesses continue to trade.

Stock held by Tullis Russell Papermakers Limited at 28 March 2015 included £1,200,000 of raw materials that were not consumed in production and had no market for resale. These items have been written down to £nil.

The land and buildings from which this business operated were owned by the Company and were utilised solely by the Papermaking business. The continuing businesses of the Group did not operate from this site and there are no immediate plans by the Group to undertake alternative trading activities at this site. The directors continue to assess the future options for this asset. Against this backdrop the directors have concluded that it remains appropriate to carry the net book value of this asset at £nil (2015: £nil).

The investment in Tullis Russell Papermakers Limited, together with investments in Tullis Russell Inc, Tullis Russell France SARL, Tullis Russell GmbH, Tullis Russell Benelux BV and Tullis Russell Iberia SL, which are also being wound up, have been reduced to £nil in the parent company (2015: £nil).

On 17 December 2015 the Company entered into an agreement with the trustees of the defined benefit pension scheme to take on the liabilities for the Tullis Russell Papermakers Limited members and to fund the deficit in relation to those liabilities on a technical provisions basis. The pension liabilities relating to the Tullis Russell Papermakers Limited employees will therefore continue to be provided without any impact arising out of the administration of the papermaking company.

TULLIS RUSSELL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) PERIOD ENDED 2 APRIL 2016

31. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

As stated in note 1, these are the Group and company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 2 April 2016 and the comparative information presented in these financial statements for the year ended 28 March 2015.

In preparing its FRS 102 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Group's financial position and financial performance is set out in the following tables

Reconciliation of profit/loss and equity from old UK GAAP to FRS 102

Group	Loss for the year to 28 March 2015 £000	Equity as at 28 March 2015 £000	Equity as at 31 March 2014 £000
Amount under previous GAAP	(15,683)	14,418	31,504
Being recognition of derivative financial instruments	(221)	(73)	148
Amount under FRS 102	<u>(15,904)</u>	<u>14,345</u>	<u>31,652</u>