

**FIBRELOC LIMITED**

**Report and Financial Statements**

**31 March 2013**

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COMPANIES HOUSE

# **FIBRELOC LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **FIBRELOC LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **DIRECTORS**

Chris Parr (appointed 22 June 2012)  
Craig Lax  
Sandford Lax  
Geoff Miller  
Mike Start (appointed 22 June 2012)

### **SECRETARY**

Geoff Miller

### **REGISTERED OFFICE**

Rothsfield  
Markinch  
Fife  
KY7 6PB

### **BANKERS**

The Royal Bank of Scotland  
Cupar Fife Branch  
18 Crossgate  
Cupar  
Fife  
KY15 5HH

### **SOLICITORS**

Dundas & Wilson CS LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

# **FIBRELOC LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year to 31 March 2013.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company's principal activity is the development of paper, which contains a unique design, to be used in the security paper market. Development of the hardware to read the design within the paper is also being undertaken.

During the past 12 months the focus has been on integrating new hardware into a Fibreloc application and using this as the basis for all future promotions. Intellectual Property Rights are held by Fibreloc Limited with a patent granted in both China and Europe. The Fibreloc patent is being enforced and will be effective in 29 European countries.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Tullis Russell Group Limited. The directors have received confirmation that Tullis Russell Group Limited intend to support the Company for at least 12 months after these financial statements are signed.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company, surround the effective development of the hardware required to allow the technology to be integrated and whether the technology is well received commercially.

### **RESULTS AND DIVIDENDS**

The Company made a loss after taxation of £38,718 (2012: £43,845) which was transferred from reserves.

There were no dividends paid in the year (2012: no dividend paid).

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

### **DIRECTORS' AND OFFICERS' LIABILITY**

Directors' and officers' liability insurance has been in place throughout the year to 31 March 2013 and this remains in place as at the date of approving the directors' report.

### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year and up to the date of this report were:

C A G Parr (appointed 22 June 2012)

G D Miller

C Lax

M M Sinclair (resigned 22 June 2012)

M X Start (appointed 22 June 2012)

S Lax

### **AUDIT INFORMATION**

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

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) 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 auditors are aware of that information.

# **FIBRELOC LIMITED**

## **DIRECTORS' REPORT**

Approved by the Board of Directors and signed by order of the Board. The financial statements on pages 7 to 11 were approved by the Board of Directors and signed by order of the Board.



Geoff Miller

Secretary

10 December 2013

**Company Registration No. SC332132**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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 AUDITORS' REPORT TO THE MEMBERS OF FIBRELOC LIMITED**

We have audited the financial statements of Fibreloc Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

This report, including the opinions, has been prepared for and only for 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. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

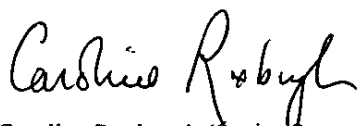
## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIBRELOC LIMITED

(Continued)

### 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.



Caroline Roxburgh (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

20 DECEMBER 2013



# FIBRELOC LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2013

	Note	2013 £	2012 £
Administrative Expenses		<u>(38,718)</u>	<u>(43,845)</u>
<b>OPERATING LOSS</b>	2	(38,718)	(43,845)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAX</b>		(38,718)	(43,845)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAX</b>	7	<u>(38,718)</u>	<u>(43,845)</u>

The Company has no recognised gains or losses other than as stated above, and so no Statement of Total Recognised Gains and Losses is presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historic cost equivalents.

All activities of the Company are continuing operations.

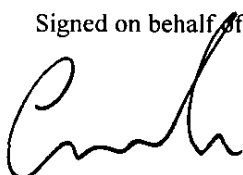
# FIBRELOC LIMITED

## BALANCE SHEET 31 March 2013

	Note	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Cash at Bank		11,600	1,711
VAT refundable		5,465	-
		<u>17,065</u>	<u>1,711</u>
<b>CREDITORS: amounts falling due within one year</b>	4	<u>(207,726)</u>	<u>(153,654)</u>
<b>NET LIABILITIES</b>		<u>(190,661)</u>	<u>(151,943)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	5,252	5,252
Share premium		99,788	99,788
Profit and loss account	7	<u>(295,701)</u>	<u>(256,983)</u>
<b>TOTAL SHAREHOLDER'S DEFICIT</b>	6	<u>(190,661)</u>	<u>(151,943)</u>

These financial statements on pages 7 to 11 were approved by the Board of Directors on 10 February 2013.

Signed on behalf of the Board of Directors



C A G Parr  
Director



C Lax  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2013**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceeding financial year.

**Accounting convention**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

**Cashflow statement**

In accordance with FRS 1, the Company is exempt from the requirement to prepare a cash flow on the grounds of being a small company

**Current and Deferred Taxation**

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

**Going Concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the immediate and ultimate parent company continuing its support by providing adequate financial resources. The immediate and ultimate parent company, Tullis Russell Group Limited, has confirmed that it will continue to do this.

As a result of the above, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

**2. OPERATING LOSS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Operating loss is stated after charging:</b>		
Auditors fees	2,250	2,250

The Company had no directly employed personnel other than the directors who received no remuneration for their services to the company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**3. TAX ON LOSS ON ORDINARY ACTIVITIES**

<b>Taxation charge</b>	<b>2013</b>	<b>2012</b>
<i>Current taxation</i>	<b>£</b>	<b>£</b>
Corporation tax charge for the year	-	-
	<hr/>	<hr/>
Tax charge for the year	-	-
	<hr/>	<hr/>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 24% (2012: 26%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(38,718)	(43,845)
	<hr/>	<hr/>
Tax on loss on ordinary activities at standard rate	(9,292)	(11,400)
	<hr/>	<hr/>
<i>Factors affecting the charge for the year</i>		
Losses not utilised	9,292	11,400
	<hr/>	<hr/>
Total actual amount of current tax	-	-
	<hr/>	<hr/>

The company has a potential deferred tax asset of £66,971 (2012: £60,590) which is not recognised due to the uncertainty of future profits against which it would be recognised.

A change in the UK corporation tax rate from 26% to 24%, effective from 1 April 2012, was substantively enacted in March 2012. A further reduction to 23%, effective from 1 April 2013, was substantively enacted in July 2012; the relevant deferred tax balances have been re-measured accordingly. In addition, a number of further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The overall effect of these further changes, if applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an additional £5,824 from 1 April 2014 and £2,912 from 1 April 2015.

# FIBRELOC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

### 4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amounts due to group undertakings	203,226	110,831
Other creditors and accrued expenses	4,500	42,823
	<u>207,726</u>	<u>153,654</u>

There is no fixed security over the amount due to group undertakings and no interest is payable. No fixed repayment date is in place.

### 5. CALLED UP SHARE CAPITAL

	2013 £	2012 £
<b>Called up, allotted and fully paid:</b>		
3,752 Ordinary A shares of £1 each	3,752	3,752
1,500 Ordinary B shares of £1 each	1,500	1,500
	<u>5,252</u>	<u>5,252</u>

### 6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2013 £	2012 £
Opening shareholder's deficit	(151,943)	(108,098)
Loss for the year after tax	(38,718)	(43,845)
Closing shareholder's deficit	<u>(190,661)</u>	<u>(151,943)</u>

### 7. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
Balance at 1 April	(256,983)	(213,138)
Loss for the financial year after taxation	(38,718)	(43,845)
Balance at 31 March	<u>(295,701)</u>	<u>(256,983)</u>

### 8. ULTIMATE PARENT UNDERTAKING

Tullis Russell Group Limited owns 72% of the Company's share capital and therefore is the immediate and ultimate parent undertaking and ultimate controlling party. Copies of the financial statements of Tullis Russell Group Limited may be obtained from Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

### 9. RELATED PARTY TRANSACTIONS

Fibreloc Limited is related to the Tullis Russell Group which controls 72% of the Company and owns 72% of the Company's share capital. During the year ended 31 March 2013 the Company incurred inter-company charges from Tullis Russell Coaters Limited of £36,422 (2012: £40,573) and Tullis Russell Papermakers Limited of £nil (2012: £880). These recharges were in respect of costs incurred for developing the Fibreloc application. As at 31 March 2013 the amounts outstanding were £92,394 to Tullis Russell Coaters Limited (2012: £nil) and £110,832 to Tullis Russell Papermakers Limited (2012: £110,832).