Company Registration No. 02692859 (England and Wales)

LETRIKA UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

LETRIKA UK LIMITED

COMPANY INFORMATION

Directors	J Vipotnik D R Curtis N Podlipnik B Konic
Secretary	D R Curtis
Company number	02692859
Registered office	Unit A6 Redlands Ullswater Crescent Coulsdon Surrey United Kingdom CR5 2HT
Auditors	Bryden Johnson Kings Parade Lower Coombe Street Croydon CR0 1AA
Business address	Unit A6 Redlands Ullswater Crescent Coulsdon Surrey United Kingdom CR5 2HT

LETRIKA UK LIMITED

CONTENTS

LETRIKA UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business
The principal activity of the Company continued to be the distribution of, and trading in, Letrika d.d. Group products and the supply of related services.

Funding
The Company's principal financial instruments comprise bank deposits, trade debtors, trade and other creditors and loan facilities. The purpose of these instruments is to supplement the Company's paid up capital and reserves, by providing medium-term funding for fixed assets and market development, and working capital to fund debtors and stock (in hand and in transit).
Much of this funding is provided, or supported, by Letrika d.d., the Company's parent.

Market risk
The nature of these financial instruments means that the Company is not thereby exposed to financial market price risk.

Interest rate risk
The Company's only banking facility is an Overdraft Facility with HSBC. The Overdraft bears interest at a variable rate, which does expose the Company to interest rate risk, but the Overdraft limit is only £400,000 and interest is payable only on the overdrawn amount.

The finance leases and hire purchase agreements, into which the Company has entered, are at fixed rates. Although these have terms of more than one year and could therefore result in the Company over-paying if interest rates generally were to fall, the facilities are relatively small.

Liquidity risk
The main liquidity risk faced by the Company is an inability to meet its liabilities as they fall due, because it has run out of cash/bank deposits or credit facilities, or has been unable to renew a maturing credit line. This situation may arise for a number of reasons, for example, debtors failing to pay on time or at all, creditors demanding repayment earlier than expected, or the build up of excessive stocks, which cannot be sold quickly.

The Company monitors and manages its liquidity closely, and pays particular attention to its cash flow. Debtors are checked for compliance with the Company's credit policy, and monitored daily for any other breach of credit terms. Stock levels are controlled by reference to customer requirements, which are usually agreed annually in advance with OEM customers, but in the case of Aftermarket customers, are based on experience. A balance has, of course, to be struck between the needs of the customers and the ability of the Group factories to supply.

The Company's main creditor is its parent, which is also its principal supplier, and the Company complies with Group payment policy. The Company pays Group and its other creditors on a timely basis, in order to maintain security of supply and goodwill.

The Company's borrowing facilities broadly match the lives of the assets which they finance. Finance leases and hire purchase facilities are used for the acquisition of certain fixed assets, and their tenors are designed to equate to the useful working lives of those assets. The Directors maintain bank deposits sufficient to meet short term liquidity miss-matches, when they arise.

Credit Risk
The Company's credit policy is based on regular credit checks of new and existing customers, supplemented by credit agency reports, observing credit limits and visits by the Company's sales staff. Customers are required to enter into agreements, which include clearly defined payment terms. Once trade credit has been granted, performance is monitored closely, and persistent slow payment leads to withholding of supplies, and, in extreme cases, to steps being taken for the recovery of unused stock. Most of the OEM customer debtors are credit insured by the Company's parent through the Slovene State Credit Insurance Agency.

Exchange risk
The Company uses two currencies, Euros and Sterling. On revenue account, most of its currency exposure is effectively hedged by the Company invoicing its OEM customers (who account for much the largest proportion of sales) in the same currency as that in which its suppliers invoice the Company. The main real currency exposures arise from the practice of HM Revenue and Customs of levying VAT in Sterling, even on sales denominated in other currencies, and Corporation Tax likewise, and because most of the Company's operating expenses are incurred in Sterling. The Company's other currency exposures arise from differences in assets and liabilities denominated in Euros, and, for balance sheet purposes, converted into Sterling at the €/£ exchange ruling at the balance sheet date. Any such balance sheet miss-matches, though naturally having an impact on the P&L Account, do not affect the cash position.

The Company's debt and interest costs are all in Sterling, and it does have some moderate exchange risk exposure, in that Sterling income may not always be sufficient to meet debt service and UK operating costs. The Company does not at present hedge this exchange risk exposure in the forward or swaps or options markets, because the exposure is relatively small and the cost of hedging is relatively high.

Non-financial risks
Other non-financial risks include competition and loss of customers, security of supply, loss of key employees, product liability, public and employer liability, damage and loss arising from natural and other causes, health and safety, I.T. failure and loss of reputation.

Competitors are monitored for new products and services, and the Company relies on its parent, which spends large amounts on R & D, for product support and innovation. Great attention is paid to customer service at both OEM and Aftermarket levels, with regular and frequent visits to customers by Company representatives (both sales and technical).

The Company is almost wholly dependent on Group companies for supply, but it aims, by careful planning in consultation with customers, to co-ordinate its orders with those companies' production schedules.

The Company sets out to attract capable employees, and to retain and motivate them once they are employed. It does so by a combination of offering market rates of pay and benefits in kind, and training, together with involvement in some of the decision-making process, and consultation about major changes in policy and procedures.

Product, public and employee liability are covered by the Company's insurances, which are arranged by independent brokers with reputable underwriters, and the cover is reviewed annually. In addition, the Group provides product liability cover, which is also insured, for all those of its products which the Company sells.

Damage or loss arising from natural and other causes, including fire, flood, lightning, riot, and civil commotion is covered by insurances, which are also arranged by independent brokers with reputable underwriters, and the cover is reviewed annually.

The Company has a Health & Safety policy, which is reviewed annually by the Board. The Managing Director is responsible for its implementation. That is backed up by insurance.

I.T. failure is covered by the use of standard hardware and software, which are regularly monitored and maintained by reliable outside professionals, and by staff training. In order to improve group-wide efficiency and internal controls, in compliance with Group policy the Company operates the SAP ERP management information system. Computer equipment is written off relatively fast and renewed or up-dated at least every 3 years. Critical data and records are backed up daily, and stored securely off-site.

Reputational risk is managed by careful product design, stringent testing and quality assurance processes, and compliance with international industry standards by the Group. The Company responds rapidly to any problems which may arise, and continuously pays close attention to customer needs, and also to UK and Eire industry codes of practice.

Ownership
In September 2014, the Mahle Gmbh of Germany acquired a controlling interest in Letrika d.d., as a prelude to buying 100% of the issued share capital, which was completed in December 2014.

The Board, having reviewed the above risk management policies and procedures, confirms that the procedures comply with the policies, and that no significant failures or weaknesses have been identified during the past year.

D R Curtis

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D R Curtis
Director
6.3.15

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends
The results for the year are set out on page 7.

Directors
The following directors have held office since 1 January 2014:

J Vipotnik
D R Curtis
N Podlipnik
B Konic

Auditors
The auditors, Bryden Johnson, will not be reappointed under section 487(2) of the Companies Act 2006.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

D R Curtis
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D R Curtis
Director
6.3.15

LETRIKA UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LETRIKA UK LIMITED

We have audited the financial statements of Letrika UK Limited for the year ended 31 December 2014 set out on pages 7 to 18. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 auditors
As explained more fully in the Directors' Responsibilities Statement set out on pages 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.

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 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 Company's affairs as at 31 December 2013 and of its 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Jackie Wilding (Senior Statutory Auditor)
for and on behalf of Bryden Johnson

9 March 2015

Chartered Accountants
Statutory Auditor

Kings Parade
Lower Coombe Street
Croydon
CR0 1AA

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	18,788,139	20,273,576
Cost of sales		(17,732,786)	(19,089,115)
Gross profit		1,055,353	1,184,461
Administrative expenses		(843,338)	(695,561)
Other operating income		11,472	11,014
Operating profit	3	223,487	499,914
Interest payable and similar charges	4	(2,886)	(35,677)
Profit on ordinary activities before taxation		220,601	464,237
Tax on profit on ordinary activities	5	(53,694)	(112,446)
Profit for the year	15	166,907	351,791

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

LETRIKA UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	7		350,598		360,880
Current assets					
Stocks	8	1,495,403		1,429,712	
Debtors	9	4,000,919		4,962,832	
Cash at bank and in hand		92,942		460,656	
		5,589,264		6,853,200	
Creditors: amounts falling due within one year	10	(4,005,706)		(5,328,447)	
Net current assets			1,583,558		1,524,753
Total assets less current liabilities			1,934,156		1,885,633
Creditors: amounts falling due after more than one year	11		(12,455)		(10,839)
			1,921,701		1,874,794
Capital and reserves					
Called up share capital	14		520,000		520,000
Profit and loss account	15		1,401,701		1,354,794
Shareholders' funds	16		1,921,701		1,874,794

Approved by the Board and authorised for issue on 6.3.15

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J Vipotnik
Director

Company Registration No. 02692859

LETRIKA UK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014		2013
	£	£	£	£
Net cash inflow from operating activities		90,199		895,707
Returns on investments and servicing of finance				
Interest paid	(2,886)		(35,677)	
Net cash *outflow for returns on investments* and servicing of finance		(2,886)		(35,677)
Taxation		(107,705)		(52,628)
Capital expenditure				
Payments to acquire intangible assets	-		(58,350)	
Payments to acquire tangible assets	(36,490)		-	
Receipts from sales of tangible assets	13,006		22,000	
Net cash outflow for capital expenditure		(23,484)		(36,350)
Equity dividends paid		(120,000)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(163,876)		771,052
Financing				
Repayment of long term bank loan	-		(707,868)	
Capital element of hire purchase contracts	(15,521)		(11,959)	
Net cash outflow from financing		(15,521)		(719,827)
(Decrease)/increase in cash in the year		(179,397)		51,225

LETRIKA UK LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reconciliation of operating profit to net cash outflow from operating activities

	2014	2013
	£	£
Operating profit	223,487	499,914
Depreciation of tangible assets	58,120	37,353
Profit on disposal of tangible assets	(8,469)	(22,000)
(Increase)/decrease in stocks	(65,691)	553,798
Decrease/(increase) in debtors	962,655	(1,249,109)
(Decrease)/Increase in creditors within one year	(1,079,903)	1,075,751
Net cash inflow from operating activities	90,199	895,707

2 Analysis of net (debt)/funds

	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	460,656	(367,714)	-	92,942
Bank overdrafts	(320,418)	188,317	-	(132,101)
	140,238	(179,397)	-	(39,159)
Bank deposits	-	-	-	-
Debt:				
Finance leases	(14,423)	(364)	-	(14,787)
Net funds/(debt)	125,815	(179,761)	-	(53,946)

3 Reconciliation of net cash flow to movement in net (debt)/funds

	2014	2013
	£	£
(Decrease)/increase in cash in the year	(179,397)	51,225
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(364)	719,827
Movement in net (debt)/funds in the year	(179,761)	771,052
Opening net funds/(debt)	125,815	(645,237)
Closing net (debt)/funds	(53,946)	125,815

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over 25 years
Plant and machinery	14% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	33% straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

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

2 Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	58,120	37,353
Loss on foreign exchange transactions	77,498	-
Operating lease rentals		
- Plant and machinery	7,279	10,858
and after crediting:		
Profit on disposal of tangible assets	(8,469)	(22,000)
Profit on foreign exchange transactions	-	(46,184)

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	5,250	5,000
Tax Services	1,600	1,600
Management Accounts	12,150	11,950
	19,000	18,550

4 Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	1,465	33,962
Hire purchase interest	1,421	1,715
	2,886	35,677

5 Taxation

	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	54,996	108,266
Adjustment for prior years	(560)	(5,118)
Total current tax	54,436	103,148
Deferred tax		
Origination and reversal of timing differences	(742)	9,298
	53,694	112,446

	2014	2013
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	220,601	464,237
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	47,414	107,935
Effects of:		
Non deductible expenses	1,868	2,833
Depreciation add back	12,492	8,683
Capital allowances	(4,958)	(7,439)
Adjustments to previous periods	(560)	(1,190)
Chargeable disposals	(1,820)	(5,114)
Other tax adjustments	-	(2,560)
	7,022	(4,787)
Current tax charge for the year	54,436	103,148

6 Dividends

	2014	2013
	£	£
Ordinary interim paid	120,000	-

7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2014	571,822	52,400	63,513	85,585	773,320
Additions	-	-	-	52,375	52,375
Disposals	-	-	-	(27,235)	(27,235)
At 31 December 2014	571,822	52,400	63,513	110,725	798,460
Depreciation					
At 1 January 2014	274,029	52,400	62,807	23,204	412,440
On disposals	-	-	-	(22,698)	(22,698)
Charge for the year	22,873	-	352	34,895	58,120
At 31 December 2014	296,902	52,400	63,159	35,401	447,862
Net book value					
At 31 December 2014	274,920	-	354	75,324	350,598
At 31 December 2013	297,793	-	706	62,381	360,880

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 December 2014	21,327
At 31 December 2013	9,079
Depreciation charge for the year	
At 31 December 2014	5,148
At 31 December 2013	9,078

8 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	1,495,403	1,429,712

9 Debtors

	2014	2013
	£	£
Trade debtors	3,962,263	4,935,161
Amounts owed by parent and fellow subsidiary undertakings	3,529	3,429
Prepayments and accrued income	26,603	16,460
Deferred tax asset (see note 12)	8,524	7,782
	4,000,919	4,962,832

10 Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	132,101	320,418
Net obligations under hire purchase contracts	2,332	3,584
Trade creditors	26,490	27,869
Amounts owed to parent and fellow subsidiary undertakings	3,336,185	4,242,569
Corporation tax	54,996	108,265
Other taxes and social security costs	413,164	578,089
Other creditors	-	950
Accruals and deferred income	40,438	46,703
	4,005,706	5,328,447

The Company's overdraft facility is secured by a debenture, incorporating a fixed charge over the Company's freehold property and book and other debts, subject to a legal assignment of the Company's trade debtors to a Syndicate of Slovene banks, and a floating charge over its other assets and undertakings, both present and future.

Assets held under HP are secured by legal charge over the fixed assets to which they relate.

11 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Net obligations under hire purchase contracts	12,455	10,839
Net obligations under hire purchase contracts		
Repayable within one year	2,332	3,584
Repayable between one and five years	12,455	10,839
	14,787	14,423
Included in liabilities falling due within one year	(2,332)	(3,584)
	12,455	10,839

12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2014 £
Balance at 1 January 2014	(7,782)
Profit and loss account	(742)
Balance at 31 December 2014	(8,524)

	2014 £	2013 £
Decelerated capital allowances	(8,524)	(7,782)

13 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the Company for the year	43,138	43,219

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000
320,000 Redeemable Preference shares of £1 each	320,000	320,000
	520,000	520,000

The Redeemable Preference Shares are redeemable at any time with effect from 31 December 2011 in accordance with the Company's Memorandum and Articles of Association, and at the discretion of the Company.

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	1,354,794
Profit for the year	166,907
Dividends paid	(120,000)
Balance at 31 December 2014	1,401,701

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	166,907	351,791
Dividends	(120,000)	-
Net addition to shareholders' funds	46,907	351,791
Opening shareholders' funds	1,874,794	1,523,003
Closing shareholders' funds	1,921,701	1,874,794

17 Financial commitments

At 31 December 2014 the Company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Other	
	2014 £	2013 £
Operating leases which expire:		
Within one year	1,632	1,305
Between two and five years	-	5,328
	1,632	6,633

18 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	79,724	88,948
Company pension contributions to defined contribution schemes	33,424	28,165
	113,148	117,113

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

19 Employees

Number of employees
The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Staff	11	11

Employment costs	2014	2013
	£	£
Wages and salaries	396,043	382,089
Social security costs	45,939	49,302
Other pension costs	43,138	43,219
	485,120	474,610

20 Control

The ultimate parent company is Mahle GmbH, incorporated in Germany.

21 Related party relationships and transactions

The Company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Notwithstanding that exemption, the Company has assigned its trade debtors to a Syndicate of Slovene banks as part security for facilities granted to the Group (see Note 10 above).